31 December 2022 Interim Financial Report

For the 6-month period ended 31 December 2022

Manuka Resources Ltd and its controlled entity

ABN 80 611 963 225

CORPORATE DIRECTORY

Directors

Dennis Karp – Executive Chairman

Alan J Eggers –Executive Director

Anthony McPaul – Non-Executive Director

John Seton – Non-Executive Director

Key Management

Haydn Lynch – Chief Operating Officer

Company Secretary

Toni Gilholme

Registered Office

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Lawyers

K&L Gates
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Sydney NSW 2000

Auditor

Ernst and Young
200 George Street
Sydney NSW 2000

Share Registry

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Stock Exchange Listing

Manuka Resources Limited shares (Code: MKR) are listed on the Australian Securities Exchange.

Contents

Directors' Report

The Directors of Manuka Resources Ltd ('Manuka Resources') present their report together with the financial statements of the Entity or the Group, being Manuka Resources ('the Company') and its subsidiaries Mt Boppy Resources Pty Ltd ('Mt Boppy') and Trans-Tasman Resources Ltd (TTR) for the six months ended 31 December 2022.

Director details

The following persons were Directors of Manuka Resources during or since the end of the financial period and up to the date of this report:

- Mr Dennis Karp
- Mr Anthony McPaul
- Mr Nicholas Lindsay (resigned 24 November 2022)
- Mr John Seton (Appointed 10 November 2022)
- Mr Alan J Eggers (Appointed 10 November 2022)

Review of operations and financial results

The past six months of operations focused on a trial phase of silver oxide processing of the existing stockpiles at the Wonawinta plant. These activities enabled the company to assess and optimise its metallurgical flow sheet, as well as consider ways to materially increase the plant capacity. We have now amassed considerable full-scale data on material handling and have developed procedures to effectively process. Due to the bi-modal nature of the softer ores (some clays) the company constructed a secondary classification circuit to screen out sub 38 micron particles (containing negligible silver) and send that stream directly to waste.

As well as the secondary classification circuit, the production flow sheet was further enhanced by the addition of a deslime circuit which incorporated its own ball mill. This circuit was used in conjunction with the larger mill, leading to an increase in the combined capacity of the plant from 850,000t/a to >1.0M t/a.

Our geology department worked closely with Wonawinta plant operations to provide accurate data on ore feed material given the various stockpile lithologies on the Wonawinta ROM from previous periods of mining operations. Whilst sufficient records of the mineralogy of these stockpiles exist the Company preferred to work off first principles to ensure historical records could be verified and corrected where needed.

The balance of work performed by Geology on our various exploration licences was desktop based and entailed a complete review of all prospects and targets on the entire EL package with a summary of this review released on the ASX on 14 February 2023. The Company welcomed as its new Chief Geologist, Phil Bentley during December 2022. Phil has a 30 plus year career over a variety of mineralisation styles in precious and base metals and spent a significant portion of his career in southern Africa. The half year saw a comprehensive review of all historic geophysics data and reports over the EL package completed by Mitre Geophysics P/L (Nick Direen PhD) which has provided an excellent additional information to further define new drill targets as well as identify further geophysics programs to be pursued during the course of this year.

The Company also closed on its acquisition of the very exciting iron and vanadium project in the South Taranaki Bight in New Zealand. Manuka acquired Trans-Tasman Resources Limited (now a wholly owned subsidiary) in November 2022 and is in the preliminary stages of its bankable feasibility study (BFS) which is largely focused on detailed engineering and costings for the integrated mining vessel upon which mining and processing activities will be conducted. Vanadium, apart from its traditional application as a steel alloying element which contributes considerable tensile strength, is rapidly building demand as an electrolyte in vanadium redox flow batteries. These batteries have recently become the preferred IP for large high-capacity battery stations (utility and grid storage solutions) due to their longevity and fire safety characteristics, ahead of all competing technologies.

Exploration Program

Drilling activities were placed on hold in the half year to accommodate support for the processing team and allow for desktop review of the entire tenement package including geophysical review as mentioned in the preceding section. In anticipation of recommencing drilling activities, the Company has been in preliminary discussion with local drilling contractors to ascertain current fleet availability, suitability and crewing capacity. During the peak of the Covid restrictions it was difficult to source suitably qualified personnel to support these activities. Pleasingly those constrictions have eased considerably, and we expect to recommence field activities during Q2 2023.

Operating Summary

The loss for the consolidated entity for the half-year ended 31 December 2022 was $13,246,268 (2021 Profit: $11,832,946). As at 31 December 2022, the consolidated entity had $952,538 in cash. The Company produced 73,680 ounces of Ag during the half-year and sold at an average unhedged price of $AU30.50/oz.

Production summary		**31 Dec 2022**
Tonnes Milled	t	19,584
Silver in Circuit	oz	73,680
Silver Sold	oz	245,230
Gold Sold	oz	551
Silver Recoveries	%	64%
Revenues	AUD$'000	8,809

Significant changes in state of affairs

During the half-year there have been no significant changes in the state of affairs of the Group, but the following events are noteworthy:

- **Acquisition of Trans-Tasman Resources Ltd (TTR)**

  On 1 August 2022, the Company announced to ASX that it had entered into a legally binding term sheet (Term Sheet) in relation to the acquisition (subject to Shareholder approval) by the Company of all of the issued share (and option) capital of the emerging vanadiferous titanomagnetite iron sands developer Trans-Tasman Resources Limited (TTR) (Acquisition). TTR's main asset is the Taranaki VTM Iron Sand Project located with New Zealand's Exclusive Economic Zone (EEZ) 22Km to 36Km offshore in the South Taranaki Bight (STB).

  On Monday, 9 August 2022, MKR responded to reports that a Mãori Party sponsored private member's bill to ban seabed mining in New Zealand (the Bill) was drawn from the Ballot Box in the New Zealand

Parliament[1]. However, while there can be no certainty that the regulatory settings in NZ will ultimately allow the STB project to be brought into production, the Company notes positive subsequent developments in which the NZ Minister for Foreign Affairs confirmed during parliamentary question time that the NZ Government does not support a moratorium or ban on seabed mining. The environmental approvals to operate are subject to the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act) that permits seabed mining to occur subject to appropriate environmental safeguards and other interests, including economic benefit and efficient use and development of natural resources, are met.

On 10 November 2022, the Manuka completed the acquisition of TTR. The Taranaki VTM project is in preliminary stages of its bankable feasibility study (BFS) which is largely focused on detailed engineering and costing for the integrated mining vessel upon which mining and processing activities are conducted. The completed pre-feasibility study (PFS) and the initial BFS work have demonstrated a low-cost iron ore concentrate production operation with CO2 emissions generated per tonne of shipped concentrate less than half of other global iron ore concentrates[2].

TTR was granted Mining Permit MP55581 in 2014 and subsequently granted a Marine Consent and Marine Discharge Consent to operate (Consents) the Taranaki VTM Project by NZ Environmental Protection Authority (EPA) in 2017. The EPA's grant of the environmental consents was then subject to third party legal challenge. Following judgments in the High Court in 2018 and the Court of Appeal in 2020 the New Zealand Supreme Court judgment in 2021[3] summarised the legal deficiencies of the original EPA's Decision Making Committee (DMC) Consent grants and the legal framework for the DMC to address when the grants are reconsidered.

The Supreme Court (SC) referred the Consents back to the EPA for final reconsideration by their DMC on five narrowly defined points of law. The EPA's DMC convened its first meeting on 3 March 2023[4]. TTR believes the expert evidence provided to the DMC enables it to satisfy the SC's requirements and accordingly there are no aspects of the judgment that are an impediment to having the Consents re-approved by the reconvened DMC[5].

In parallel with this formal EPA engagement process, Manuka will commission additional metallurgical test work to optimise the flowsheet for processing of the VTM concentrate (as well as the recovery of the vanadium and titanium) during 2H 2023 and will undertake marketing (and related) studies building on work completed during the PFS.

Vanadium apart from its traditional application as a steel alloying element is rapidly building demand as an electrolyte in vanadium redox batteries which are fast becoming the preferred IP for large high-capacity battery stations due to their longevity and fire safety characteristics, ahead of all competing technologies.

With concerns over the sovereign security of vanadium supply from key producing nations China (comprising 55% of global production), Russia (20% of global production), Brazil (15%) and South Africa (10%), vanadium has critical mineral status in Australia, USA and the EU. This factor, together with rapidly growing demand underpinning rising prices, suggests the vanadium potential of our Taranaki VTM Iron Sand Project, along with its green steel low carbon emissions profile, will be of huge interest to end-users.

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[1] Refer ASX announcement dated 9 August 2022
[2] Refer ASX announcement dated 1 March 2023
[3] Judgement delivered 30 September 2021
[4] Refer EPA Public consultation disclosures at www.epa.govt.nz/public-consultations/in-progress/trans-tasman-resources-limited-2016/
[5] Refer ASX announcement 1 August 2022

A BFS is being progressed based on offshore recovery and processing of this resource into an iron ore concentrate with vanadium (and potentially titanium) credits.

Events arising since the end of the reporting period

- **Strategic exploration Review**

  On 14 February 2023, the Company announced the completion of its Strategic Exploration Review highlighting near-mine resource upside[6]. The Review provides Manuka with the exploration plan to add significant resources of Gold, Silver, Copper and other Base Metals and included a comprehensive review of over 30 years of geophysical data and reports that has defined new targets and information gaps which will further define exploration tools and strategy.

- **Maiden Vanadium Resource at Taranaki VTM Iron Sand Project (New Zealand)**

  In March 2023, the Company released its maiden Vanadium Resource for the Taranaki VTM Iron Sand Project in New Zealand[7], making it one of the largest aspiring vanadium producers on the ASX. The company will commission additional metallurgical test work to optimise the flowsheet for processing of the VTM concentrate to confirm economic recovery of vanadium as a separate product stream (this test work will be scoped to target >70% recoverable metal). Revenue derived from vanadium pentoxide (V_2O_5) (either as co-product or separate product) and potentially titanium dioxide (TiO_2) sales would provide material by-product credits to further offset already low iron ore operating expenses. The Project has already secured a 5Mtpa mining licence (MP55581) with an initial 20 year mine life proposed with a bankable feasibility study (BFS) already commenced. MP55581 is located within New Zealand's EEZ.

- **Appointment of Mr Alan J Eggers as Executive Director**

  On 1 February 2023[8], the Company appointed Mr Eggers as an Executive Director pursuant to a consultancy agreement to provide his management services, extensive industry experience and professional technical expertise to MKR on corporate administration, compliance, resource development, financial and commercial activities and generative growth opportunities in the sector and other key business functions as an executive director of MKR.

Apart from the matters noted above and as disclosed in the financial statements, there are no other matters or circumstances that have arisen since the end of the period that has significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

Dividends

No dividends were paid or declared during the period and no recommendation is made as to dividends.

[6] Refer ASX announcement 14 February 2023
[7] Refer ASX announcement 1 March 2023
[8] Refer ASX announcement 6 February 2023

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.307C of the *Corporations Act 2001* is included on the following page of this financial report and forms part of this Director's Report.

Signed in accordance with a resolution of the Directors.

Dennis Karp

Director

Date: 16 March 2023

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Building a better working world

Auditor's Independence Declaration to the Directors of Manuka Resources Limited

As lead auditor for the review of the half-year financial report of Manuka Resources Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Manuka Resources Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
16 March 2023

Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	Notes	31 December 2022 $	31 December 2021 $
Sales revenue	5(a)	8,926,069	38,926,147
Cost of sales	6(a)	(16,456,776)	(23,881,749)
Operating profit / (loss)		**(7,530,707)**	**15,044,398**
Other income	5(b)	385,225	237,402
Other expenses	6(c)	(5,309,258)	(1,152,796)
Share based payment credit / (expense)		-	(69,718)
Foreign exchange gains / (losses)		356,353	(435,826)
Profit /(loss) before finance expenses		**(12,098,387)**	**13,623,460**
Finance expenses	6(d)	(1,147,881)	(1,796,811)
Profit / (loss) before income tax		**(13,246,268)**	**11,826,649**
Income tax expense		-	-
Profit / (loss) for the period attributable to members of Manuka Resources Limited		**(13,246,268)**	**11,826,649**
Other comprehensive profit / (loss) - items that will be reclassified subsequently to profit or loss			
Cashflow hedging profit / (loss)		-	6,297
		-	**6,297**
Total comprehensive profit / (loss) for the year attributable to members of Manuka Resources Limited		**(13,246,268)**	**11,832,946**
Profit / (loss) per share for loss attributable to the ordinary equity holders of the Company			
Basic profit /(loss) per share (cents per share)		(4.61)	4.39
Diluted profit /(loss) per share (cents per share)		(4.61)	3.99

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Condensed Interim Statement of Financial Position

As of 31 December 2022

	Notes	31 December 2022 $	Restated[9] 30 June 2022 $
Assets			
Current			
Cash and cash equivalents		952,538	1,160,615
Trade and other receivables		374,435	430,582
Inventories	7	2,907,405	2,889,123
Prepayments		642,986	770,552
Other financial assets	8	186,000	186,000
Total current assets		**5,063,364**	**5,436,872**
Non-current			
Mine properties and development assets	9	474,496	4,371,830
Exploration and evaluation assets	10	35,578,507	8,457,839
Property, plant and equipment	11	15,774,780	16,403,110
Right of use asset		303,530	374,641
Other financial assets		6,626,793	6,552,225
Total non-current assets		**58,758,106**	**36,159,645**
Total assets		**63,821,470**	**41,596,517**
Liabilities			
Current			
Trade and other payables	12	8,042,887	6,242,625
Provisions	13	583,796	628,315
Contract liabilities		70,943	62,183
Borrowings	14	16,347,182	13,053,251
Lease liabilities		136,012	124,901
Total current liabilities		**25,180,820**	**20,111,275**
Non-current			
Provisions	13	8,125,000	7,594,510
Lease liabilities		188,754	259,040
Borrowings	14	50,420	57,927
Total non-current liabilities		**8,364,174**	**7,911,477**
Total liabilities		**33,544,994**	**28,022,752**
Net assets / (deficit)		**30,276,476**	**13,573,765**

9 Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

Consolidated Condensed Interim Statement of Financial Position (continued)

As of 31 December 2022

	Notes	31 December 2022 $	30 June 2022 $
Equity			
Share Capital	16	54,762,154	25,771,113
Share based payment reserve		3,797,192	2,839,254
Accumulated losses		(28,282,870)	(15,036,602)
Total equity / (deficit)		**30,276,476**	**13,573,765**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Condensed Interim Statement of Changes in Equity

For the half-year ended 31 December 2022

	Share Capital	Other Contributed Equity	Share-based payment reserve	Reserves	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 July 2021	**21,512,355**	**-**	**1,486,077**	**(6,297)**	**(20,318,022)**	**2,674,113**
Profit for the period	-	-	-	-	11,826,649	11,826,649
Other comprehensive profit	-	-	-	6,297	-	6,297
Total comprehensive profit for the period	**-**	**-**	**-**	**6,297**	**11,826,649**	**11,832,946**
Share based payments	-	-	941,126	-	-	941,126
Balance at 31 December 2021	**21,512,355**	**-**	**2,427,203**	**-**	**(8,491,373)**	**15,448,185**
Balance at 1 July 2022	**25,771,113**	**-**	**2,839,254**	**-**	**(15,036,602)**	**13,573,765**
Loss for the period	-	**-**	-	-	(13,246,268)	(13,246,268)
Other comprehensive profit	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(13,246,268)**	**(13,246,268)**
Contribution of equity	29,766,053	**-**	**-**	**-**	**-**	**29,766,053**
Share based payments	(513,470)	-	975,065	-	-	461,595
Share issue costs	(261,542)	-	-	-	-	(261,542)
Reserves	-	-	-	(17,127)	-	(17,127)
Balance at 31 December 2022	**54,762,154**	**-**	**3,814,319**	**(17,127)**	**(28,282,870)**	**30,276,476**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Condensed Interim Statement of Cash Flows

For the half-year ended 31 December 2022

	31 December 2022 $	31 December 2021 $
Operating activities		
Receipts from customers	8,982,216	38,822,130
Payments to suppliers and employees	(14,826,247)	(25,607,641)
Other income	385,225	237,402
Finance costs paid	(66,346)	(1,953,597)
Net cash from/ (used in) operating activities	**(5,525,152)**	**11,498,294**
Investing activities		
Acquisition of property, plant and equipment	(597,410)	(465,120)
Disposal of property, plant and equipment	224,068	225,128
Payments for development and exploration assets	(377,270)	(3,354,505)
Payment for other assets	-	(148,000)
Net cash used in investing activities	**(750,612)**	**(3,742,497)**
Financing activities		
Repayments of borrowings	(1,556,673)	(4,417,445)
Proceeds from borrowings	3,857,094	-
Repayment of lease liabilities	(81,191)	(77,497)
Proceeds from issues of ordinary shares	3,848,457	-
Net cash from / (used in) financing activities	**6,067,687**	**(4,494,942)**
Net change in cash and cash equivalents	(208,077)	3,260,855
Cash and cash equivalents, at beginning of the period	1,160,615	1,018,035
Cash and cash equivalents, at end of period	**952,538**	**4,278,890**

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1 Nature of operations

The principal activities of Manuka Resources Ltd comprise of exploration, mine development, mining and processing of silver and gold.

During the financial half-year ending 31 December 2022, the Company's principal activities related to the Wonawinta Silver trial production program and the processing of the Wonawinta ROM stockpile ores which has yielded important metallurgical testwork data as well as operational changes, all targeted at improving recoveries. Field activities focused on stockpile sampling and assessment in consultation with metallurgical department. This included identification of ore grade stockpiles located off the ROM at the Wonawinta plant. In addition, during the period, the Company acquired the assets of Trans-Tasman Resources Ltd and is progressing the development of their Taranaki VTM Iron Sand Project (New Zealand).

2 Basis of preparation

The interim consolidated financial statements of the Group are for the six months ended 31 December 2022 and are presented in Australian dollars ($), which is the functional currency of the parent company.

These interim condensed consolidated financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022 together with any public announcements made during the half-year ended 31 December 2022.

The interim financial report has been approved and authorised for issue by the board of directors on 16 March 2023.

2.1 Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

During the six months ended 31 December 2022, the Group generated an operating loss of $13,246,269 (2021: profit of $11,832,946) and negative operating cash flows of $5,525,152 (2021: positive operating cash flows of $11,498,294), primarily driven by high production and operating costs at Wonawinta on a per ounce of silver produced basis, due to low volumes of ore through the plant. This gives rise to a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

The Group was successful in raising $4.1m in equity in December 2022, which has been used for payment of the costs of the placement and for working capital until the end of December 2022 and for the completion of the strategic exploration review, a summary of which was released to the market through the ASX on 14 February 2023.

At 31 December 2022 the Group had $952,538 (2021: 1,015,418) of cash on hand and remained in a net current liability position of $20,117,456, due primarily to $16,347,182 in current debt (refer to note 14) and $8,042,887 (2021: $6,242,625) in trade and other creditors. The most significant loan balance amounts to

$13.2Million and is repayable at 30 September 2023. The remaining loans relate to loans from related parties and asset backed funding and are repayable over the period end of March and May 2023. In the period since 31 December 2022, the Group has been managing its cash position through the sale of silver ores, negotiated deferral of creditor payment terms and utilisation of existing cash and cutting of operational costs.

The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared cash flow projections through to 15 March 2024 which supports the ability of the Group to have sufficient cash to continue as a going concern over the coming 12 month period. However, in order to repay its current liabilities in the timeframe required, these cash flow projections rely on the following:

- The ability of the group to complete a private placement in the short term to an existing shareholder. This will be used to fund working capital and creditor requirements.

- The ability of the group to complete an equity placement in the short term to an institutional investor. These funds will be used for ongoing working capital requirements and the recommencement of gold production at Mt Boppy.

- The group has agreed to in principle terms and is in the process of documenting a trade facility which will provide ongoing funding during the window between commencement of stockpile screening at Mt Boppy and extending until cashflow is received from deliveries to the refinery. This facility will continue for 12-24 months.

- The ability of the Group to successfully restart gold production profitably from Mt Boppy, based on the forecast gold prices, the cut-off grade, and the planned recoveries from known resources and stockpiles. Current forecasts assume a gold price of US$1,875/oz and an exchange rate of AUD/USD of $0.695 (AUD$2698/oz gold).

- The ability to renegotiate with TransAsia Private Capital Limited ("TPC") the terms of the facility beyond 30 September 2023 (if required) and/or finding alternative financing arrangements, if required based on the timing of cash receipts from gold production. The Group is currently in discussions in this regard.

- The ability to repay current creditors through profits from gold mining or to successfully negotiate payment extensions with long dated creditors. Should the group be unable to do this, further short-term financing may be required to manage short term cash flow.

Should the Group be unsuccessful in achieving the matters set out above, this may cast significant doubt on the ability of the Group to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the ordinary course of business.

The Directors are confident that the above steps can be achieved based on:

- History of being able to successfully extend the current debt facilities, noting the facility with TransAsia Private Capital Limited (as disclosed in Note 14) has been successfully extended twice previously;

- Successfully raising funds in the market as required to fund mining activities including $5,000,000 in March 2022 and $4,110,000 in December 2022;

- The company has already commenced discussions with a number of parties with the intention of refinancing the TPC facility, being the current secured debt facility.

- The Company is in final stage documentation of a commodity trade finance facility which will assist in improving working capital during the recommencement of gold production.

- The level of support extended from key suppliers and creditors to date all of whom are displaying a strong interest in seeing the Company return to steady gold production.

- Historical ability to achieve significant profits from Mt Boppy ($12.8Million in net profit achieved in the 2022 fiscal period to 31 March 2022 being the end of gold processing) and the continued high gold prices.

- Discussions with key creditors and suppliers as to their continued support of the Group whilst in the process of recommencing operations at Mt. Boppy.

At the date of signing this report, the Directors have reasonable grounds to believe that due to the matters noted above and the actions taken to date that it is appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

3 Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

As outlined within Note 17, the Company acquired the assets of Trans-Tasman Resources Limited ("TTR") during the period. Judgement is exercised in assessing whether the transaction is an asset acquisition or a business combination under AASB 3. Given the transaction does not acquire inputs, processes and outputs of TTR, it has been classified as an asset acquisition.

All other accounting policies and methods of computation are consistent with those of the most recent annual financial statements.

New, revised or amending Accounting Standards and Interpretations adopted
The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those following in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022.

Any new, revised or amending Accounting Standards or Interpretations that are not yet effective have not been adopted.

4 Segment reporting

Identification of reportable segments

The Group has identified operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Currently all the Group's gold and silver tenements and resources are in New South Wales. Three operating segments have been identified:

- Exploration - Aus: Exploration of existing gold and silver leases and exploration leases at Wonawinta and Mt Boppy projects
- Exploration – NZ: Exploration of acquired mining and exploration leases at the Taranaki VTM Iron Sand Project (New Zealand)
- Operations: being the appraisal, development and processing of gold and silver deposits

The following table presents revenue and loss information regarding operating segments for the half-year periods ended 31 December 2022 and 31 December 2021.

Half-year ended 31 December 2022	**Exploration NZ**	**Exploration Australia**	**Operations**	**Total $**
Segment revenue (external customers)	-	-	8,926,069	8,926,069
Segment cost of sales	-	-	(16,456,776)	(16,456,776)
Segment operating contribution	**-**	**-**	**(7,530,707)**	**(7,530,707)**
Other income	-	-	385,225	385,225
Expenses	-	(5,229)	(5,304,029)	(5,309,258)
Share based payments	-	-	356,353	356,353
Finance expenses	-	-	(1,147,881)	(1,147,881)
Profit / (loss) before income tax	**-**	**(5,229)**	**(13,241,039)**	**(13,246,268)**

Half-year ended 31 December 2021	**Exploration NZ**	**Exploration Australia**	**Operations**	**Total $**
Segment revenue (external customers)	-	-	38,926,147	38,926,147
Segment cost of sales	-	-	(23,881,749)	(23,881,749)
Segment operating contribution	**-**	**-**	**15,044,398**	**15,044,398**
Other income	-	-	237,402	237,402
Expenses	-	(2)	(1,222,512)	(1,222,514)
Finance expenses	-	-	(2,232,637)	(2,232,637)
Profit / (loss) before income tax	**-**	**(2)**	**11,826,651**	**11,826,649**

The following table presents segment assets and liabilities of operating segments at 31 December 2022 and 30 June 2022.

Segment Assets	Exploration NZ	Exploration Australia	Operations	Total $
As at 31 December 2022	26,748,275	8,830,232	28,242,963	63,821,470
As at 30 June 2022	-	8,457,839	33,138,678	41,596,517

Segment Liabilities	Exploration NZ	Exploration Australia	Operations	Total $
As at 31 December 2022	-	49,516	33,495,478	33,544,994
As at 30 June 2022	-	115,800	27,906,952	28,022,752

Revenue and assets by geographical region

The Company's revenue is derived from sources and assets located wholly within Australia.

Major customers

The Company currently delivers all its product to one off-taker.

5 Revenue and other income

	Notes	31 December 2022 $	31 December 2021 $
(a) Operating sales revenue			
Sale of mineralised ore – gold		1,445,718	38,509,809
Sale of mineralised ore – silver		7,480,351	416,338
Total revenue from contracts with customers		**8,926,069**	**38,926,147**
(b) Other income			
Income from insurance claims		195,573	150,000
Other income		189,652	87,402
Total other income		**385,225**	**237,402**

6 Expenses

(a) Cost of sales

		31 December 2022 $	31 December 2021 $
Operating expenses	b	17,055,117	22,195,824
Royalties		-	1,172,375
Inventory movements		(598,341)	513,550
Total operating expenses		**16,456,776**	**23,881,749**

(b) Operating expenses

	Note	31 December 2022 $	31 December 2021 $
Mining expenses		233,497	3,710,924
Hauling and crushing expenses		2,525,288	6,030,962
Processing and refining expenses		11,186,461	8,963,492
Site administration expenses		2,447,027	2,819,289
Amortisation of mine properties	9	662,844	671,157
Total operating expenses		**17,055,117**	**22,195,824**

(c) Other expenses

	Note	31 December 2022 $	31 December 2021 $
Professional expenses		434,028	361,596
Employment expenses		513,661	539,079
Depreciation and amortisation		72,303	67,138
Impairment expenses	9(a)	4,001,581	-
Other expenses		287,685	254,701
Total other expenses		**5,309,258**	**1,222,514**

(d) Finance expenses / (income)

	31 December 2022 $	31 December 2021 $
Interest expense	1,075,487	1,186,620
Amortisation of prepaid borrowing costs	289,161	269,918
Other finance charges / (income)	(216,767)	340,273
Total finance expenses / (income)	**1,147,881**	**1,796,811**

7 Inventories

Inventories consist of the following:

	31 December 2022 $	30 June 2022 $
Consumables supplies and spares	528,439	1,108,498
Gold or Silver concentrate in circuit at cost	2,378,966	1,759,657
Ore stockpiles	-	20,968
Inventories at cost or net realisable value	**2,907,405**	**2,889,123**

8 Other financial assets

	Notes	31 December 2022	30 June 2022
		$	$
Other financial assets comprise the following:			
Current assets at historical cost			
Deposits for exploration bonds	(a)	186,000	186,000
Non-current assets at amortised cost			
Manuka Resources - Deposit for environmental bond	(b)	5,111,709	5,021,967
Mt Boppy Resources – Deposit for environmental bond	(c)	1,333,657	1,352,016
Term Deposit		181,427	178,242
		6,812,793	**6,738,225**

The carrying amount of other financial assets is considered a reasonable approximation of fair value unless stated below:

(a) Environmental Bonds have been lodged with the Department in relation to the current areas of exploration. These will be refunded on completion of the exploration program in each relevant area.

(b) The Environmental Bond in the name of Manuka Resources Ltd have been amortised with reference to a discount rate of 3.04% (2022: 1.32%). The Environmental Bond has been discounted over a 3.25 year period which is a reasonable approximation as to when the rehabilitation work will have to be conducted.

(c) The Environmental Bond Deposit in the name of Mt Boppy Resources Pty Ltd has been amortised with reference to a discount rate of 3.1% (2022: 1.32%). The Environmental Bond has been discounted over a 1 year period which is a reasonable approximation as to when the bond will be returned to the company.

9 Development assets and mine properties

		31 December 2022	Restated[10] 30 June 2022
		$	$
Development assets at cost and net carrying amount		197,500	197,500
Impairment of development assets	(a)	(182,767)	-
Accumulated amortisation		(14,733)	(14,733)
Net carrying amount		**-**	**182,767**
Mine properties at cost		8,673,399	9,032,520
Rehabilitation cost estimates		20,865	1,387,287
Impairment of mine properties	(a)	(1,642,938)	-
Accumulated amortisation		(6,576,830)	(6,230,744)
Net carrying amount		**474,496**	**4,189,063**

[10] Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

		31 December 2022	Restated[11] 30 June 2022
Total development assets and mine properties at cost		8,870,899	9,230,020
Rehabilitation cost estimates		20,865	1,387,287
Impairment of mine properties and development assets	(a)	(1,825,705)	-
Accumulated amortisation		(6,591,563)	(6,245,477)
Total net carrying amount		**474,496**	**4,371,830**

During the period, the Company was focused on the Wonawinta Silver Trial project and undertook a number of activities in relation to mine development including the use of consultants which have been for the most part been expensed in the profit and loss during the period. Additionally, our geology department worked closely with plant operations to provide accurate data on ore feed material given the various lithologies sitting on the ROM from previous periods of mining operations.

(a) The Company undertook a strategic exploration review, which included a comprehensive review of over 30 years of geophysical data and reports completed over the past 24 months. This has allowed the Company to define new targets and refine the Company's exploration and mining strategy over the coming 2 year period with the aim of adding significant resources of Gold, Silver, Copper and other Base Metals. As a result of this refinement, certain historical development costs relating to areas which are no longer a priority have been written off.

10 Exploration and evaluation assets

Exploration and evaluation costs carried forward in respect of areas of interest:

	31 December 2022 $	30 June 2022 $
Exploration assets		
Opening net book amount	8,457,839	4,780,492
NZ Exploration assets acquired at cost	26,748,275	-
Exploration and evaluation costs during the year	372,393	3,677,347
Net book value	**35,578,507**	**8,457,839**

During the period, the Company acquired the assets and liabilities of Trans-Tasman Resources Ltd (Refer Note 17), including the mining and exploration licences and exploration assets in relation to their Taranaki VTM Iron Sand Project in New Zealand. In addition, the Company undertook the following activities as part of the follow-up-phase exploration on the Company's regional exploration tenements:

(a) Field activities focused on a comprehensive desktop review of the entire tenement package including geophysical review;

(b) Sourcing and pricing fleet availability, suitability and crewing capacity in anticipation of recommencing drilling activities.

[11] Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

11 Property, plant and equipment

The following tables show the movements in property, plant and equipment:

	Land	IT Equipment	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Total
	$	$	$	$	$	$
Restated Year ended 30 June 2022[12]						
Balance as at 1 July 2021	754,994	25,673	10,994,911	20,901	416,437	12,212,916
Additions	-	20,265	5,491,095	27,353	242,109	5,780,822
Disposals	-	-	(247,600)	-	-	(247,600)
Depreciation	-	(26,947)	(1,240,545)	(9,301)	(66,335)	(1,343,128)
Closing net book value	**754,994**	**18,991**	**14,997,861**	**38,952**	**592,211**	**16,403,110**
Restated Balance 30 June 2022						
Cost	754,994	100,186	17,254,861	53,939	805,939	18,970,020
Accumulated Depreciation	-	(81,195)	(2,257,000)	(14,987)	(213,728)	(2,566,910)
Net book value	**754,994**	**18,991**	**14,997,861**	**38,952**	**592,211**	**16,403,110**
Balance as at 1 July 2022	754,994	18,991	14,997,861	38,952	592,211	16,403,110
Additions	-	1,064	342,058	26,657	-	369,776
Disposals	-	-	(192,250)	-	(31,819)	(224,069)
Depreciation	-	(5,780)	(733,798)	(5,150)	(29,211)	(774,038)
Closing net book value	**754,994**	**14,275**	**14,413,871**	**60,459**	**531,181**	**15,774,780**
Balance 31 December 2022						
Cost	754,994	101,250	17,404,669	80,596	774,120	19,115,629
Accumulated Depreciation	-	(86,975)	(2,990,798)	(20,137)	(242,939)	(3,340,849)
Net book value	**754,994**	**14,275**	**14,413,871**	**60,459**	**531,181**	**15,774,780**

Included within Plant and Equipment is an amount of $192,250 (30 June 2022: $401,449) representing costs incurred on equipment which was not brought to use as at 31 December 2022 and as such represents capital works in progress.

[12] Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

12 Trade and other payables

	31 December 2022 $	30 June 2022 $
Current		
Trade creditors	6,450,808	4,520,381
Other creditors and accruals	1,592,079	1,722,244
Total trade and other payables	**8,042,887**	**6,242,625**

Trade and other payables amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

13 Provisions

		31 December 2022 $	30 June 2022 $
Current			
Employment provisions		583,796	628,315
Total current provisions		**583,796**	**628,315**
Non-current			
Employment provisions		48,070	29,107
Rehabilitation provisions	13.1	8,076,930	7,565,403
Total non-current provisions		**8,125,000**	**7,594,510**
Total provisions		**8,708,796**	**8,222,825**

13.1 Rehabilitation provisions

Rehabilitation provisions split between the parent and subsidiary are as follows:

	31 December 2022 $	30 June 2022 $
Rehabilitation provisions		
Manuka Resources Ltd	6,934,461	6,422,934
Mt Boppy Resources Ltd	1,142,469	1,142,469
Total rehabilitation provisions	**8,076,930**	**7,565,403**

Provisions made for rehabilitation are recognised where there is a present obligation as a result of exploration, development or production activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning mining activities and restoring the affected areas. The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the obligation at the reporting date, based on current legal requirements and technology. Future rehabilitation costs are reviewed annually, and any changes are reflected in the present value of the rehabilitation provision at the end of the reporting period. The amount of the provision for future rehabilitation costs relating to exploration and development activities is capitalised as a cost of those activities. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate the risks specific to the liability. The fair value of the rehabilitation provision for Manuka Resources has been calculated with reference to an inflation rate of 7.83% (2022: 5.09%) and a discount rate of 3.04% (2022: 3.12%) over 3.25 years (2022: 3.75 years). As there is no committed mine plan for Mt Boppy, it has been assumed that rehabilitation work will be completed within twelve to eighteen months. If a mine plan is implemented that results in further mining activity this assumption will be amended.

The Company is required by the relevant regulatory authorities to ensure that appropriate rehabilitation is carried out on tenements that are mined. The amount of rehabilitation cost is an estimate based upon the estimated life of each mined tenement, as well as the future timing and cost of such rehabilitation. The provision is constantly revised as information about the life of mine, depth of mining and cost estimates are updated.

14 Borrowings

Borrowings include the following financial liabilities:

	Notes	31 December 2022 $	30 June 2022 $
Current			
Related party loans	14(a)	**1,409,260**	909,959
Senior secured debt facility (net of borrowing costs)	14(b)	**12,990,679**	12,128,978
Asset backed finance		**1,432,446**	-
Other loans		**514,797**	14,314
Total current borrowings		**16,347,182**	**13,053,251**
Non-current			
Other loans		50,420	**57,927**
Total non-current borrowings		**50,420**	**57,927**
Total borrowings		**16,397,602**	**13,111,178**

All borrowings are denominated in Australian Dollars except for the senior debt facility agreement (TPC Facility) with TransAsia Private Capital Limited (TPC) which is denominated in US Dollars.

(a) The related party loans include the following:

	31 December 2022 $	30 June 2022 $
ResCap Investments Pty Ltd	1,341,538	909,959
Minvest Securities (New Zealand) Ltd	67,722	-

The related party loan provided by ResCap Investments Pty Ltd includes working capital drawn down during the period and amounts owing for services provided. The loan on the working capital portion has an interest rate of 16%, amounts advanced to Mt Boppy and the portion relating to services rendered do not attract interest.

The loan provided by Minvest Securities (New Zealand) Ltd includes working capital drawn down during the period prior to the acquisition of TTR by the Company. The loan has an interest rate of the overnight cash rate published by the Reserve Bank of New Zealand plus 6%, compounded daily.

(b) The Company signed a debt facility agreement (TPC Facility) with TransAsia Private Capital Limited (TPC) during July 2019, with the first drawdown occurring in July 2019. The TPC Facility limit was for a total of US$14 Million (AU$20,664,116). As at 31 December 2022, the principal amount owing under the facility was US$8Million (AU$11,808,066). The interest rate attributable to this facility is 12.5% per annum payable quarterly, with service and management fees of 2.5% per annum. Repayment of the balance of $13,244,861, including interest and fees, is due on 30 September 2023.

Details of the unamortised borrowing costs in relation to Senior secured debt facility is as follows:

	31 December 2022	**30 June 2022**
	$	**$**
Senior secured debt facility	13,244,861	12,332,456
Less: Borrowing Costs	(254,182)	(203,479)
Total senior secured debt facility (net of borrowing costs)	**12,990,679**	**12,128,977**

15 Earnings / (Loss) per share

	Six months to 31 December 2022	**Restated Six months to 31 December 2021**
	$	**$**
Profit / (loss) for the period attributable to equity holders of the Company	(13,246,268)	11,826,649
	No of shares	**No of shares**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share *	287,601,208	269,353,712
	Cents per share	**Cents per share**
Basic earnings / (loss) per share	(4.61)	4.39
Diluted earnings / (loss) per share	(4.61)	3.99

* As the Group made a loss for the period ended 31 December 2022, none of the potentially dilutive securities were included in the calculation of diluted earnings per share.

16 Share Capital

The share capital of Manuka Resources consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Manuka Resources.

	31 December 2022	30 June 2022	6 months to 31 December 2022	12 months to 30 June 2022
	# Shares	# Shares	$	$
Shares issued and fully paid:				
• At beginning of period	286,020,381	269,353,712	25,771,113	21,512,355
• share issue 4 March 2022 [(a)]	-	16,666,669	-	5,000,000
• Share issue 10 November 2022 for TTR acquisition [(b)]	176,938,295	-	25,656,053	-
• share issue 15 and 22 December 2022 [(c)]	39,142,856	-	4,110,000	-
• issue costs - options issued to broker	-	-	-	(70,831)
• issue costs – options issued to shareholders [(d)]	-	-	(513,470)	(341,220)
• Share Placement expenses [(d)]	-	-	(261,542)	(329,191)
Total share capital at end of period	**502,101,532**	**286,020,381**	**54,762,154**	**25,771,113**

a) On 4 March 2022 the Company completed a Placement of $5,000,000 before costs through the issue of 16,666,669 ordinary shares at $0.30 per share, to sophisticated, professional and institutional investors.

b) On 10 November 2022, the Company completed its acquisition of Trans-Tasman Resources Ltd (refer Note 18.1) with the issue of 176,938,295 shares to existing TTR shareholders.

c) On 12 December 2022, the Company completed a Placement of $4,110,000 before costs through the issue of 39,142,846 ordinary shares at $0.105 per share, to sophisticated, professional and institutional investors.

d) The Share Placement of $4,110,000 noted above also included the issue of 0.5 options for each share issued under the Placement. 19,571,419 options were issued with and expiry date of 16 December 2025 and an exercise price of 17 cents (refer Note 18.2). Share placement expenses are the amounts payable to the brokers in relation to this Share Placement.

17 Asset Acquisition – Trans-Tasman Resources Ltd

The Company acquired 100% of the fully paid shares in Trans-Tasman Resources Limited on 10 November 2022 in accordance with the terms of the Heads of Agreement between the company and TTR.

The Group has assessed the acquisition does not meet the definition of a business combination in accordance with the accounting standards and therefore recognises the individual identifiable assets acquired and liabilities assumed. The cost of the acquisition has been allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

The NZ department of Petroleum and Minerals approved the transfer of the related mining and exploration permits on 2 November 2022[14] and Manuka completed the acquisition through the issuance of 176,938,295 shares and 12 million options on 10 November 2022.

TTR's main asset is the Taranaki VTM Iron Sand Project in New Zealand for which it holds a Mineral Mining Permit MP55581 and an Exploration Mining Permit EP54068. The project is in preliminary stages of its BFS which is largely focused on detailed engineering and costing for the integrated mining vessel upon which mining and processing activities are conducted.

Details of the purchase consideration and the net assets acquired are as follows:

	# Shares/options	AUD $'000
Purchase Consideration		
Shares issued 10 November 2022	176,938,295	25,656
Options issued 24 November 2022	12,000,000	122
Transaction Costs		225
Total		26,003

The cost of acquisition has been allocated to the acquired assets and liabilities as follows:

	AUD $'000
Cash and cash equivalents	2
Prepayments	9
Exploration and evaluation assets	26,208
Trade and other creditors	(216)

TTR was granted Mining Permit MP55581 in 2014 and subsequently granted a Marine Consent and Marine Discharge Consent to operate (Consents) the STB Project by NZ Environmental Protection Authority (EPA) in 2017. The EPA's grant of the environmental Consents was then subject to third party legal challenge. Following judgments in the High Court in 2018 and the Court of Appeal in 2020 the New Zealand Supreme Court judgment in 2021[15] summarised the legal deficiencies of the original EPA's Decision Making Committee (DMC) Consent grants and the legal framework for the DMC to address when the grants are reconsidered.

The Supreme Court (SC) referred the Consents back to the EPA for final reconsideration by their DMC on five narrowly defined points of law. The EPA's DMC convened its first meeting on 3 March 2023[16]. TTR believes the expert evidence provided to the DMC enables it to satisfy the SC's requirements and accordingly there are no aspects of the judgment that are an impediment to having the Consents re-approved by the reconvened DMC[17].

TTR has been requested by the reconvened DMC to provide any additional evidence, reports, or updated material in relation to their Consent grants by 19 May 2023 for the DMC's reconsideration.

Acquisition costs incurred during the period were $224,784. The costs were directly attributable to the issue of shares and have been capitalised.

[14] 23YE MKR - Transfer of Licence Title Approval
[15] Judgement delivered 30 September 2021
[16] Refer EPA Public consultation disclosures at www.epa.govt.nz/public-consultations/in-progress/trans-tasman-resources-limited-2016/
[17] Refer ASX announcement 1 August 2022

18 Share-based payments

Options over ordinary shares have been granted to employees and Directors and finance providers from time to time, on a discretionary basis.

Set out below is a summary of the share-based payment options granted:

	31 December 2022		30 June 2022	
	# Options	Weighted average exercise price cents	# Options	Weighted average exercise price cents
Beginning of the period	54,016,669	37	21,250,000	25
Granted	40,571,419	22	32,766,669	44
Forfeited	-	-	-	-
Outstanding at period end	**94,588,088**	**30**	**54,016,669**	**37**
Exercisable at period end	**94,588,088**	**30**	**54,016,669**	**37**

No share options were exercised during the period ended 31 December 2022.

The fair values of options granted were determined using a variation of the binomial option pricing model that takes into account factors such as the vesting period. The weighted average remaining contractual life of share options outstanding at the end of the financial period was 1.2 years (2022: 1.4 years), and the weighted average exercise price is at 30 cents (2022: 37 cents).

At 31 December 2022 the total value of the share based payment reserve is $3,814,319 (30 June 2022: $2,839,254).

18.1 Lender Options

In August 2022, the Company negotiated an extension of the Senior Secured Debt Facility to 30 September 2023[18]. Key features of the revised facility include:

- No upfront payments and a single bullet payment due on 30 September 2023;
- No early repayment penalties;
- No hedging requirement; and
- The issue of 5 Million options expiring in October 2024 with a strike price based on a VWAP formula, with up to an additional 12 Million options based on the outstanding principal owing, again with a strike price based on a VWAP formula.

In relation to the issue of the options negotiated as part of the loan extension and issued August 2022 and December 2022, a finance charge representing the option value of $270,647 (2021: $871,408) has been capitalised against the borrowings (refer Note 16(b)) and credited to the share option reserve. The finance charge will be amortised over the remaining life of the loan. During the period $251,844 of these options plus previous options has been amortised through the profit and loss.

18.2 Placement Options

In December 2022, the Company completed a Share Placement with attaching options[19]. Participants in the Placement received one free option (not listed) for every two Placement Shares subscribed for under the Placement, with an exercise price of $0.17 per share and an expiration date of 16 December 2025. The value of the options is included as a deduction against the Share Capital (Refer Note 16(d)).

[18] Refer ASX announcement dated 24 August 2022.

[19] Refer ASX announcement of the Placement dated 12 December 2022

18.3 Options to Alan J Eggers

At the Company's 2022 AGM held in November 2022, shareholders voted approve the issue 12,000,000 options to Alan J Eggers (or his nominee). The options were issued with an expiration date 30 September 2024 and a $0.35 per share exercise price[20]. These options were granted and issued in November 2022. The option value of $121,731 (2022: $69,718) has been included in the balance sheet included in the cost of acquisition of TTR.

19 Commitments for expenditure

19.1 Tenement Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the State Government. Due to the nature of the Company's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent years will be similar to that for the forthcoming twelve months.

These obligations are not provided for in the financial report and are payable as follows:

	31 December 2022 $	30 June 2022 $
Not later than one year	1,082,712	1,106,667
Between 1 year and 5 years	2,753,332	4,383,333
	3,836,044	5,490,000

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values.

20 Related party transactions

20.1 Transactions with related parties and outstanding balances

The Company's related parties include key management personnel, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

	Notes	31 December 2022 $	30 June 2022 $
DETAILS OF TRANSACTIONS WITH RELATED PARTIES:			
Details of related party transactions with ResCap Investments Pty Ltd, an entity controlled by a member of KMP:			
• interest charged on intercompany loan		66,864	29,184
DETAILS OF BALANCES WITH RELATED PARTIES:			
Balance of loan with Manuka Resources Ltd			
- payable to ResCap Investments Pty Ltd	14(a)	1,341,538	909,959
Balance of loan with Trans-Tasman Resources Ltd			
- payable to Minvest Securities (New Zealand) Ltd		67,722	-

[20] Refer ASX announcement of the Supplement to the Notice of the 2022 AGM dated 11 November 2022

20.2 Transactions with key management personnel

Key management personnel remuneration includes the following expenses:

	Notes	31 December 2022	31 December 2021
		$	$
Short-term employee benefits		486,679	330,858
Post-employment benefits		25,292	22,060
Share based payment expenses		-	69,718
Total remuneration		**511,971**	**422,636**

21 Events subsequent to the end of the reporting period

- **Strategic exploration Review**

  On 14 February 2023, the Company announced the completion of its Strategic Exploration Review highlighting near-mine resource upside[21]. The Review provides Manuka with the exploration plan to add significant resources of Gold, Silver, Copper and other Base Metals and included a comprehensive review of over 30 years of geophysical data and reports that has defined new targets and information gaps which will further define exploration tools and strategy.

Apart from the matters noted above, there are no other matters or circumstances that have arisen since the end of the period that has significantly affected or may significantly affect either:

- the entity’s operations in future financial years;
- the results of those operations in future financial years; or
- the entity’s state of affairs in future financial years.

22 Company Details

The registered office and principal place of business of the Company is:

Manuka Resources Ltd
Level 4 Grafton Bond Building
201 Kent Street, Sydney, New South Wales

[21] Refer ASX announcement 14 February 2023

Directors' Declaration

In the opinion of the Directors of Manuka Resources Ltd:

a The financial statements and notes of Manuka Resources Ltd are in accordance with the *Corporations Act 2001*, including:

i. Giving a true and fair view of its financial position as at 31 December 2022 and of its performance for the period ended on that date; and

ii. Complying with Australian Accounting Standards AASB 134 Interim Financial Reporting; and

b There are reasonable grounds to believe that Manuka Resources Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors

Director
Dennis Karp

Dated the 16th March 2023

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Independent auditor's review report to the members of Manuka Resources Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Manuka Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as of 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2.1 in the financial report, which indicates that the Group's current liabilities exceeded its current assets by $20,117,456 as at 31 December 2022. This condition, along with other matters set forth in Note 2.1 indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as of 31 December 2022 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
Sydney
16 March 2023