

Manuka Resources Limited Drilling & Exploration Update

Manuka Resources Ltd ('Manuka' or 'the Company') is the 100% owner of the Wonawinta Silver Project and the Mt Boppy Gold Projects ("the Projects"). It is pleased to advise on the progress of its drilling programs at the Wonawinta Silver Project.

Company Highlights

- Circa \$3 million invested in drilling and exploration over the Projects to date (~\$2.0m at Wonawinta and ~\$1.0m at Mt Boppy)
- Four drill rigs now operating on-site (two diamond rigs plus one reverse circulation 'RC' rig at Wonawinta, and one RC drill rig at Mt Boppy)
- Original 9,000m in-fill drilling program completed at Wonawinta
- An additional 3,500m step-out program / pit extension program completed at Wonawinta with RC drilling ongoing
- Wonawinta Deeps diamond drill exploration program testing silver and base metals sulphide zones below existing open pits has commenced with first drill hole completed at the Bimble deposit
- Mt Boppy gold Resource update due end January
- Wonawinta silver Resource update due March Quarter 2021

The Wonawinta RC infill drill program targeting Silver Oxides continues.

The Company's initial 9,000m in-fill drilling program which commenced in August 2020, has been expanded as we increase the defined mineralised envelopes. The current extension of drilling seeks to close off the silver oxide mineralisation which is open in several directions following historical drilling conducted by the previous owners. The extension drilling completed to date is over 3,500 metres, as the Company continues to find additional areas of mineralisation within the existing mining lease.

This combines to more than 12,500m of reverse circulation (RC) drilling which has now been completed on the Mining Lease (ML) for the Wonawinta Silver Project via 365 drill holes. The increased drilling undertaken at Wonawinta to date has expanded the known silver mineralisation and bodes well for a planned resource update. A recalculated resource update and upgrade for the shallow silver oxide mineralised resource in the north of the ML is planned for Q1 CY2021, following which time the Company anticipates announcing a maiden JORC Reserve at the Wonawinta Silver Project.

There are currently significant delays experienced with assay laboratories throughout the industry, which means the Company still awaits assay results from drilling conducted late 2020.

The key deposits within the ML which originally contributed towards the existing resource model are Belah, Bimble, Manuka and Boundary. Drilling programs to date have added the Tweens area (a new target area between Manuka and Boundary) and the pit extensions / step-outs at Belah and

Bimble. These are highlighted in Figure 1 below and are developing into targets of significant mineralisation. Manuka estimates the current drilling program will continue until mid-February.

The Company continues working towards a smooth transition to oxide silver production following production of Mt Boppy gold. Manuka fully expects to be Australia’s next silver producer around mid-2021!

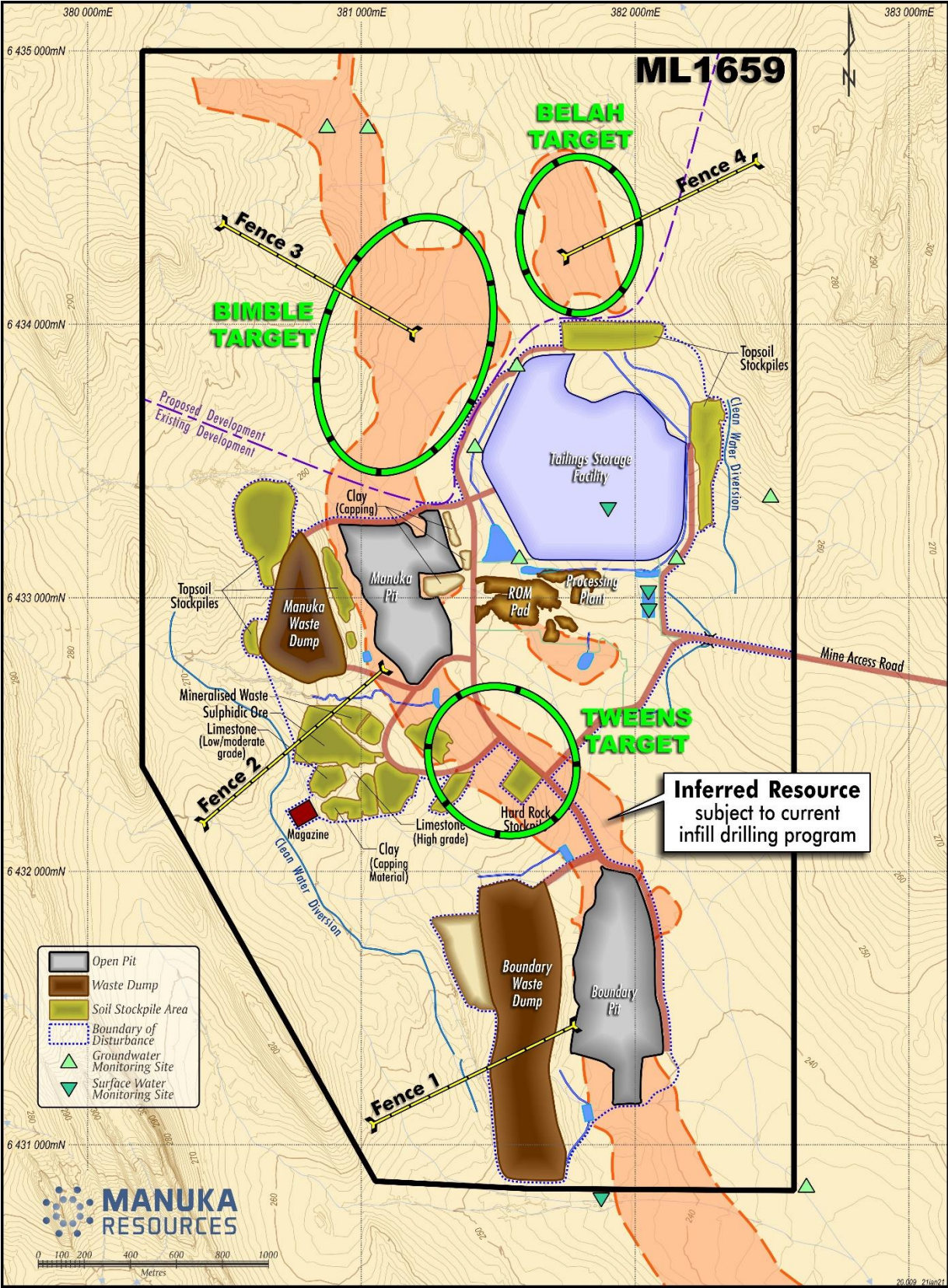


Fig 1: The Manuka Resources Wonawinta site - highlighting the additional RC drilling targets (Belah, Bimble and Tweens) and the 4 drill fence lines Wonawinta Deeps diamond drilling program.

The “Wonawinta Deeps” exploration program targeting silver and base metal sulphide mineralisation has commenced.

The diamond drilling of the ‘Wonawinta Deeps’ program on the existing ML has commenced, and the drill cores from the first hole have been logged. This starts a most exciting phase of the Wonawinta exploration program.

As previously outlined, the Wonawinta Deeps program is designed to initially test the silver and base metal potential of sulphide zones below the existing open-cut pits on the current ML. Manuka has strong conviction in the existence of deeper deposits and the results of this ‘proof of conviction’ program will be eagerly awaited. Confirmation of a base metals deposit consistent with our neighbours in the basin would be transformational for the Company.

The program will be run concurrently with the ongoing RC drilling programs and a recently commenced metallurgical sampling diamond drill program.

The Wonawinta Deeps program envisages an initial 16 – to - 20 hole program along four drill fence-lines of holes in our key deposits:

- Belah – fence 4
- Bimble – fence 3
- Manuka – fence 2 and
- Boundary - fence 1

The initial program is for a total of approximately 4,000m of drilling. Holes will have RC pre-collars through the overlying Gundaroo Sandstone with diamond coring through the target Booth Limestone formation. This program is designed to test the deep sulphide mineralisation potential of the Booth Limestone within the existing mining lease and will be conducted on the four key targets.

This drilling program should take approximately two months to conclude, and the company will report on independent assays as they are received. (The first hole has been completed and internal analysis is very encouraging although we do await independent laboratory confirmation).

Manuka’s Executive Chairman, Dennis Karp noted: “We are executing on our plan to aggressively drill at Mt Boppy and Wonawinta. At Wonawinta in particular, we have completed more than 12,500m of drilling and we are on track to deliver our maiden JORC Reserve. The Wonawinta Deeps program has also kicked off and the potential for a deeper base metals deposit at Wonawinta, characteristic of Cobar Basin mines, is strong. The assay results due early in Q2 could be pivotal for our understanding of the true potential of this Project. After becoming Australia’s newest gold producer in April 2020, Manuka Resources looks forward to also becoming Australia’s newest silver producer mid-2021.”

This announcement has been approved for release by the Board of Directors of Manuka Resources Limited.

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