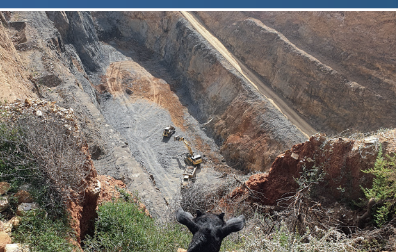
MANUKA RESOURCES

Manuka Resources Ltd ABN 80 611 963 225

HALF YEAR REPORT 2023




31 December 2023 Interim Financial Report

For the 6-month period ended 31 December 2023

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

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Auditor
Ernst & Young
200 George Street
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Share Registry
Automic Group Pty Ltd
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Sydney NSW 2000

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 2023.

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 John Seton
- Mr Alan J Eggers

Review of operations and financial results

The past six months of operations focused on the recommencement of gold production operations at Mt Boppy. There is a combined total of almost 4.0Mt of waste material and tailings sitting adjacent to the existing Mt Boppy pit, and following an in-depth geological review, it was determined that the residual quantity of gold contained within the material could be screened and then economically recovered though the Company's 100% owned Wonawinta plant.

As advised previously, Manuka Resources welcomed Phil Bentley into the position of Chief Geologist a little over 12 months ago. It is noteworthy that a significant portion of Phil's career was based mining in Southern Africa, focussed on low grade gold recoveries from waste dumps. This input was extremely valuable in assisting the Company bring its Mt Boppy Screening Project into production over the second half of calendar 2023. The initial production results were positive and we enjoyed increasing recoveries and sales over each of the months comprising the September 2023 Quarter. The December Quarter was disappointing, albeit that quarterly sales were higher than those in the previous Quarter. However, we weren't able to maintain the positive increases in production seen over the initial three months, largely due to a tapering off of the grades of the ore processed, which was first noted during November. This proved to be extremely frustrating for all concerned, as the Company's preparation prior to commencement of mining was comprehensive. In light of the reduced grades, we commenced a sonic drill program during the second half of November, to more fully understand the zonal make-up of the dump and the extent and locations of the mineralised material throughout the full waste dump and tailings. While our receipt of assays from the sonic drill samples submitted to an independent laboratory have been delayed due to external operational matters outside our control, we do expect full receipt by the middle of March. This will provide us with the opportunity to revise our mine plan and determine optimal processing and recovery zones. This will be completed by Manuka Resources as a priority. On-site processing and production has been suspended until receipt of the full suite of assay results and revision of the mine plan.

On 7 March 2024, the recently elected NZ government introduced Fast Track Consenting (FTC) legislation into parliament. This is discussed more fully below, but clearly any legislation which assists the final completion of permitting for our Trans-Tasman Resources' (TTR) Taranaki project would be extremely beneficial to Manuka Resources and its shareholders.

Taranaki VTM Project

In a significant and highly positive turn of events, the election of the new coalition government in New Zealand, led by the National party and new PM Christopher Luxon, has dramatically altered the political landscape for the country's resource sector.

The Government's initiatives in their coalition agreements include a '100 Day Plan':

- Updating the Crown Minerals Act to promote the use of Crown Minerals;
- Creating a Critical Minerals list likely to include vanadium and titanium;
- Prioritising regional and national projects of significance;
- Amending the Resource Management Act (RMA);
- A 'fast track' one stop shop consenting and permitting process for natural resource projects of national significance; and
- Investigate the strategic opportunities in New Zealand's mineral resources, including vanadium, and develop a plan to develop these opportunities.

The newly appointed Minister for Resources, Hon Shane Jones, is strongly supportive of the country's mining industry, in particular the development of offshore titanomagnetite iron sand and vanadium resources in the South Taranaki Bight. Minister Jones stated[1]

"Seabed mining has a legitimate place in New Zealand's regional economy." and "Unless we use our natural resources of our country, unless we maintain investment in our natural resource sector we won't get the rare earth minerals that are in New Zealand, we won't keep the young people who are desperate to improve the quality of their life in New Zealand – they'll go to Australia to dig up Kalgoorlie and that's something grossly hypocritical about the green movement.[2]"

Manuka's wholly owned subsidiary, Trans-Tasman Resources Limited (TTR), was granted Mineral Mining Permit MMP55581 located 22km to 36km offshore in New Zealand's South Taranaki Bight (STB) in 2014.

Expert reports have concluded the proposed VTM mineral recovery in STB will avoid material harm, will favour caution and environmental protection in relation to the effects of the proposed mining operations and resulting sedimentation on biota in the STB including no adverse ecological effects on marine mammals and seabirds. Accordingly, there are no known aspects of TTR's 2017 environmental Consents that are an impediment to having them re-approved.

TTR intends to commission additional metallurgical test work to optimise the flowsheet for processing of the VTM concentrate (including the recovery of vanadium and titanium) during 2024 and undertake marketing (and related) studies building on work completed during the Pre-Feasibility Study (PFS).

The key attributes of the VTM Project are as follows:[3]

- A 914Mt JORC Resource in MMP55581 Mine Area
- Minimum 20 year Life of Mine
- C1 costs approximately US$20 - US$24 / tonne of concentrate
- VTM Concentrate Grade 0.5%V205, 8.5%Ti02 and 55% - 57%Fe
- Total 3.2Bt STB JORC Resource Base

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[1] https://realitycheck.radio/shane-jones-nz-first-cabinet-minister-a-coalition-update-and-the-recent-policy-gains-for-nz-first/
[2] Ibid
[3] ASX release 1 August 2022

- 60-year resource at 5Mtpa production rate

Globally VTM titanomagnetite iron sands are in strong demand as feed for electric arc furnaces (EAF) to produce low carbon “green steel”. EAF steel making burns 50% less coal, reduces emissions by more than 45% in the steel making process and sets the platform for meeting net zero goals by 2050.

The extraction and recovery of iron ore concentrate from the STB’s iron sand deposits will be one of the lowest CO_2 emitters for iron ore producers globally. Taranaki VTM will produce an estimated 62kg/t CO_2 of emissions compared to the international average of 125 to 250kg/t of concentrate.

Iron ore is critical to the clean energy transition, because steel is required in large quantities to build the wind turbines and new transmission infrastructure the transition requires.

Vanadium, apart from its widespread application as a steel alloying element to strengthen steel and reinforcing bar, is rapidly building demand as an electrolyte in vanadium redox flow batteries (VRFB) which are fast becoming the preferred IP for large grid-scale high-capacity battery stations to store renewable energy due to their longevity and fire safety characteristics, ahead of all competing technologies.

Australia is now building its first 850Mw, with 1,680Mwh capacity, VRFB Waratah Super Battery at the former Munmorah coal fired power station in NSW to drive Australia’s transition to a low carbon economy.

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 now has “critical mineral” status in Australia, USA, Canada and the EU. The demand for VTM concentrate for EAF low carbon green steel production together with the rapidly growing demand underpinning rising prices for vanadium, suggests the potential of our Taranaki VTM Project, hosting one of the largest known vanadium resources in the world with 1.6Mt contained V_2O_5 metal, will attract the competitive capital investment and metal producer offtake interest required to develop the project.

The Taranaki VTM Project, when in production with an estimated annual production of 10,000 tonnes of vanadium metal, will make Manuka one of the leading vanadium producers in the world and propel NZ into the third largest producer of the metal after China and Russia.

Operating Summary

The loss for the consolidated entity for the half-year ended 31 December 2023 was $8,565,882 (2022 Loss: $13,246,268). As at 31 December 2023, the consolidated entity had $551,195 in cash. The Company produced 4,332 ounces of Au during the half-year and sold at an average unhedged price of $AU3,006/oz.

Production summary		**31 Dec 2023**
Tonnes Milled	t	136,728
Gold in Circuit	oz	316
Silver Sold	oz	23,900
Gold Sold	oz	4,625
Gold Recoveries	%	70.1 %
Revenues	AUD$’000	14,458

Resource Growth and Exploration Outlook

During the period under review the Company’s geological team has continued to implement in part the exploration work programmes established from the Q1 2023 Strategic Review. Planned drilling of Pipeline

Ridge and Mt Boppy deeps was deferred to H1 2024. A sonic drilling program was completed on the Mt Boppy waste dump, results from which will progress establishing the viability of future processing. The MKR Resource Triangle (Fig. 1) shows the current classification of the exploration targets, and those in highlighted on which work was undertaken during Q3 and Q4 2023.

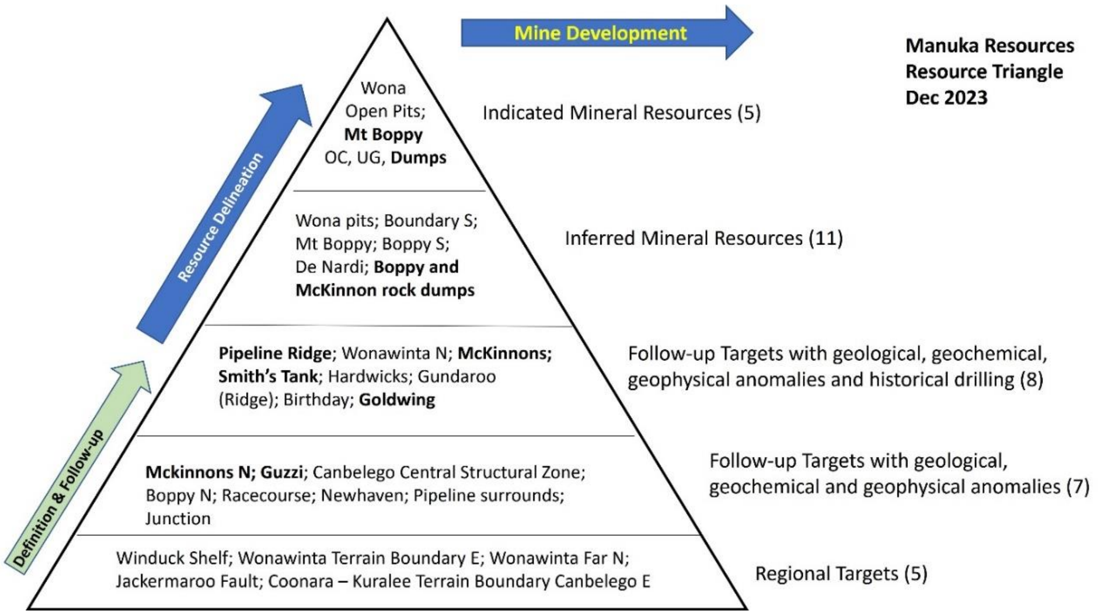

Figure 1

The resource base at Mt Boppy outside of the in-pit resources continues to expand. The Mt Boppy waste dump is estimated to contain approximately 3.92 Mt of variably mineralised waste rock and old tailings material. Of this, between 1.6-1.9Mt is targeted as a screened product. A Sonic drilling programme was completed on the Main Waste dump during December 2023 and results are still coming to hand and will be reported next quarter. Twenty-six boreholes totalling 503m were drilled, and the whole core recovered screened to -10, +10-22, and +22mm fractions, and fire assayed and bottle rolled to provide insitu and recoverable gold grade estimates. The drilling programme will underpin the assessment of the economic viability of the Main waste dump and the TSF3 tailings repository. Material has also been specifically sampled for future metallurgical testwork.

Bulk sampling of the McKinnons low grade rock dumps has continued intermittently during the period under review and are planned to be completed during the March 2024 quarter.

Other work programmes that have been progressed include:

- Continued geological modelling and assessment of historic drilling data of the Pipeline Ridge base metal – gold deposit, assessment of available diamond core. The initial drilling programme is now scheduled during calendar H1 2024;
- Follow up examination of targets generated from a detailed regional geophysics synthesis of the Mt Boppy and Wonawinta ML's and exploration tenements, including conducting a merged data reinterpretation of all available magnetic data and a revised IP interpretation for the McKinnons gold prospect; and
- Continued analysis and reorganisation of the Company's extensive drilling and geochemical sampling database.

Drill programmes for 2024 have been scoped in-line with prioritisation of the targets on Figure 1 with encouraging engagement with local drilling contractors for these activities. Exploration of the Pipeline Ridge prospect and Mt Boppy mine deeps drilling are priority targets, and these activities are expected to start during Calendar H1 2024.

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:

- **Further Extension of Secured Debt Facility**

  Since the end of the reporting period, the Company successfully negotiated to extend the term of the secured debt facility to 30 September 2024. The extension has been granted on existing terms and rates with no extension penalties or cash fees. The Company has resolved at a Board meeting held 19 September 2023 to grant the issue of 25Million options in four tranches with an exercise price based on the 5-day VWAP plus a 10% premium.

- **Mt Boppy Resource Update**[4]

  The Company released a Mt Boppy Gold Project Resource Upgrade showing a 357% increase in contained ounces. The mineral resource estimate for Mt Boppy is contained within:
  - in situ rock dumps and tailings depositories, with in situ gold grades derived from bulk sampling material derived from mechanically pitting and trenching to 2-3m depth and screening +200, -200+20, +8-20, and -8mm size fractions, with cone measurements to ascertain mass % distribution and total volume treated.
  - an open cut pit shell that reaches a depth of 215m below surface at the southern end of the Mt Boppy deposit. Resources were reported July 2022 with respect to the current pit design. Material within the pit design is reported at a 1.6 g/t Au cut off and material below the pit design is reported to a 3.0 g/t Au cut off. The open cut is currently flooded and inaccessible for mining. Dewatering and a sidewall pushback is necessary to access and mine these resources.
  - a grade shell modelled at a 1.6 g/t cut off over the Boppy South mineral zone. This prospect still requires final drilling and evaluation before assessing establishing a small opencast.

Resource Category	Tonnes	Grade	Contained gold
		g/t Au	Troy ounces
Measured	107	5.25	18.0
Indicated	605	3.01	58.5
Inferred	1,770	1.47	83.6
Total	**2,482**	**2.01**	**160.1**

Table 6: Mt Boppy Resource Update per ASX release 25 August 2023

*The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. Due to rounding to appropriate significant figures, minor discrepancies may occur. All tonnages reported are dry metric.

- **Completion of Sonic Drill Program**

  A Sonic drilling programme was completed on the Main Waste dump during December 2023 and results are still coming to hand and will be reported next quarter. Twenty-six boreholes totalling 503m were drilled, and the whole core recovered screened to -10, +10-22, and +22mm fractions, and fire assayed and bottle rolled to provide insitu and recoverable gold grade estimates. The drilling programme will underpin the assessment of the economic viability of the Main waste dump and the TSF3 tailings repository. Material has also been specifically sampled for future metallurgical testwork.

[4] Refer ASX announcement dated 25 August 2023

Events arising since the end of the reporting period

- **Share Placement and Share Purchase Plan (SPP)**

  On 7th February 2024 the Company successfully completed a Share Placement to new and existing sophisticated investors to raise $3.178 million cash together with $3.089 million debt conversion to give a total Placement of over $6 million[5]. $970,000 of the debt conversion is to Director related entities and will be subject to approval by Shareholders at a General Meeting to be held on 2nd April 2024. In addition to the Placement, the company completed a Share Purchase Plan on 26 February 2024. A total of $717,275 was raised by this SPP.

- **Conversion $3.089 million debt to equity**

  On 7th February 2024 as part of the successful Share Placement noted above, the Company negotiated the conversion of $3.089 million in debt to equity. Of this amount $1.835 million related to the conversion of a portion of the Company's working capital facility into shares. Director related entities have agreed to the conversion of $970,000 debt to equity (included in the $3.089 million above) which is subject to shareholder approval at a meeting of shareholders scheduled to be held on 2 April 2024.

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.

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: 14 March 2024

[5] Refer ASX Announcement dated 7 February 2024 and amended Appendix 3B dated 26 February 2024

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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 2023, 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
14 March 2024

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

For the half-year ended 31 December 2023

	Notes	31 December 2023 $	31 December 2022 $
Sales revenue	5(a)	14,458,032	8,926,069
Cost of sales	6(a)	(17,992,997)	(16,456,776)
Operating profit / (loss)		**(3,534,965)**	**(7,530,707)**
Other income	5(b)	260,122	385,225
Other expenses	6(b)	(2,209,733)	(5,309,258)
Foreign exchange gains / (losses)		828,177	356,353
Profit /(loss) before finance expenses		**(4,656,399)**	**(12,098,387)**
Finance expenses	6(c)	(3,909,483)	(1,147,881)
Profit / (loss) before income tax		**(8,565,882)**	**(13,246,268)**
Income tax expense		-	-
Profit / (loss) for the period attributable to members of Manuka Resources Limited		**(8,565,882)**	**(13,246,268)**
Other comprehensive income / (loss)		320,790	-
Total comprehensive loss for the period attributable to members of Manuka Resources Limited		**(8,245,092)**	**(13,246,268)**
Loss per share for loss attributable to the ordinary equity holders of the Company			
Basic profit /(loss) per share (cents per share)	15	(1.54)	(4.61)
Diluted profit /(loss) per share (cents per share)	15	(1.54)	(4.61)

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 2023

	Notes	31 December 2023 $	30 June 2023 $
Assets			
Current			
Cash and cash equivalents		551,195	265,833
Trade and other receivables		10,948	685,660
Inventories	7	1,042,981	2,307,345
Prepayments		97,510	404,429
Other financial assets	8	209,565	186,000
Total current assets		**1,912,199**	**3,849,267**
Non-current			
Mine properties and development assets	9	639,680	638,743
Exploration and evaluation assets	10	36,315,654	35,200,653
Property, plant and equipment	11	15,321,098	15,879,924
Other financial assets	8	6,147,833	5,937,068
Total non-current assets		**58,424,265**	**57,656,388**
Total assets		**60,336,464**	**61,505,655**
Liabilities			
Current			
Trade and other payables	12	10,111,446	7,138,892
Provisions	13	712,789	643,823
Contract liabilities		64,528	968,646
Borrowings	14	27,507,088	24,524,576
Lease liabilities		471,110	147,233
Total current liabilities		**38,866,961**	**33,423,170**
Non-current			
Provisions	13	7,857,703	7,773,532
Lease liabilities		28,813	111,807
Borrowings	14	221,170	255,172
Total non-current liabilities		**8,107,686**	**8,140,511**
Total liabilities		**46,974,647**	**41,563,681**
Net assets		**13,361,817**	**19,941,974**

Consolidated Condensed Interim Statement of Financial Position (continued)

As of 31 December 2023

	Notes	31 December 2023 $	30 June 2023 $
Equity			
Share Capital	16	58,178,807	57,038,387
Share based payment reserve		4,766,565	4,242,049
Other reserves		360,950	40,160
Accumulated losses		(49,944,505)	(41,378,622)
Total equity		**13,361,817**	**19,941,974**

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 2023

	Share Capital	Share-based payment reserve	Other reserves	Accumulated losses	Total equity
	$	$	$	$	$
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 profit 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**
Balance at 1 July 2023	**57,038,387**	**4,242,049**	**40,160**	**(41,378,623)**	**19,941,973**
Loss for the period	-	-	-	(8,565,882)	(8,565,882)
Other comprehensive loss	-	-	320,790	-	320,790
Total comprehensive loss for the period	**-**	**-**	**320,790**	**(8,565,882)**	**(8,245,092)**
Contribution of equity	1,313,399	-	-	-	1,313,399
Share based payments	-	524,516	-	-	524,516
Share issue costs	(172,979)	-	-	-	(172,979)
Balance at 31 December 2023	**58,178,807**	**4,766,565**	**360,950**	**(49,944,505)**	**13,361,817**

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 2023

	31 December 2023 $	31 December 2022 $
Operating activities		
Receipts from customers	14,256,647	8,982,216
Payments to suppliers and employees	(15,001,051)	(14,826,247)
Other income	236,247	385,225
Finance costs paid	(320,813)	(66,346)
Net cash from/ (used in) operating activities	**(828,970)**	**(5,525,152)**
Investing activities		
Acquisition of property, plant and equipment	(6,808)	(597,410)
Disposal of property, plant and equipment	-	224,068
Payments for development and exploration assets	(557,787)	(377,270)
Payment for other assets	(23,565)	-
Net cash used in investing activities	**(588,160)**	**(750,612)**
Financing activities		
Repayments of borrowings	(2,491,141)	(1,556,673)
Proceeds from borrowings	3,425,980	3,857,094
Repayment of lease liabilities	(202,631)	(81,191)
Proceeds from issues of ordinary shares	1,047,500	4,110,00
Costs of issue of ordinary shares	(77,216)	(261,543)
Net cash from / (used in) financing activities	**1,702,492**	**6,067,687**
Net change in cash and cash equivalents	285,362	(208,077)
Cash and cash equivalents, at beginning of the period	265,833	1,160,615
Cash and cash equivalents, at end of period	**551,195**	**952,538**

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 2023, the Company's principal activities related to the processing of mineralised gold material from Mt Boppy (Mt Boppy Stockpile Reprocessing) including bulk sampling and screening and haulage of screened material. Field activities focused on a comprehensive review of all exploration prospects and completion of a sonic drill programme. In addition, Trans-Tasman Resources Limited has been progressing its EPA approvals for its Taranaki VTM project through the EPA's Decision Making Committee (DMC) process.

2 Basis of preparation

The interim consolidated financial statements of the Group are for the six months ended 31 December 2023 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 2023 together with any public announcements made during the half-year ended 31 December 2023.

The interim financial report has been approved and authorised for issue by the board of directors on 14 March 2024.

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 to 31 December 2023, the Group generated operating loss of $8,565,882 (2022: Loss $13,246,268) and negative operating cash flows of $828,970 (2022: ($5,525,152)). This was primarily driven by high fixed production and operating costs at the Wonawinta plant and declining gold recoveries during December 2023. In addition, the Group experienced a period of minimal sales during July and August 2023 whilst the Group recommenced mining and built up gold in circuit to recoverable levels.

As a consequence, at 31 December 2023 the Group had $551,195 of cash on hand and remained in a net current liability position of $36,954,762 (30 June 2023: $29,573,903) due primarily to $27,507,088 in current debt. The most significant loan balance amounts to $15,173,988 million which is repayable at 30 September 2024. In addition, the Company has a trade finance facility with rolling quarterly repayment requirements and has other short term loans due to related parties and asset backed funding. In addition, at period end, the Group had current payables of $10,111,445, many of which were long dated or past due.

Subsequent to year end, the Company successfully completed a placement to sophisticated investors and a Share Purchase Plan for existing shareholders which together raised $3,894,725 million in cash and $3,088,938 million of debt to equity conversion. Proceeds from the Offer have been used by the company to advance regulatory approvals for the Taranaki VTM Project, progress studies at Mt Boppy and pay some of the long dated creditors.

Additionally, the Group has been managing its cash position though the negotiation of payment plans with creditors, the negotiation of loan repayment deferrals with lenders, and the use of an existing working capital facilities to manage short term cash flow needs. Importantly, the majority of the current debt balance has been successfully deferred, to allow time for the Group to refinance. Subsequent to period end, a portion of the short-term loans have been repaid using proceeds from the recent Placement and $1,835,000 of the working capital facility has been converted into equity.

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 for the period to 31 March 2025 that, in conjunction with the aforementioned debt refinance, supports the ability of the Group 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 projections rely on the ability to raise additional funds in the capital markets in the short-term whilst continuing to negotiate further loan extensions and manage the creditor book and long dated creditors during this period.

Beyond this immediate requirement, the Group must also successfully find alternative financing arrangements to replace the existing current debt balances and long dated payables or agree to new/renegotiated terms with all current lenders in the coming six months. The Group is confident in their ability to complete this in a timely manner as the Group is currently in advanced negotiations with an external non-bank lender and has executed a non-binding term sheet, which is subject to the results of the November/December 2023 sonic drill program.

In addition to the above activities, the Group can also take the following actions (or a combination of the following actions) in order to continue as a going concern over the coming 12 month period:

- Continue to negotiate further loan extensions or raise additional funds in the capital markets, to the extent that a debt restructure does not occur within the extension periods currently agreed. The Group has a history of successful deferrals and support from existing lenders.
- Continue to manage the creditor book and repayment of long dated and past due creditors via proceeds from gold sales, funds from capital raising, conversion of debt to equity or the use of working capital/short term loan facilities as required.
- Based on receipt of assays from its November/December 2023 sonic drill program. This will facilitate resumption of production resume gold production (and by-product silver) profitably and consistently from Mt Boppy, in line with the Group’s forecast gold prices, the cut-off grade, and the planned recoveries from known resources and stockpiles.
- advanced negotiations with an external non-bank lender and has executed a non-binding term sheet, which is subject to the results of the November/December 2023 sonic drill program.
- Sell down, divest or farm out its non-current assets.

Should the Group be unsuccessful in achieving the matters set out above, a material uncertainty would exist that 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 success in raising funds in the market, as previously demonstrated with the raising of $2,398,097 in April 2023 and a Placement $3,177,450 plus a $717,275 Share Purchase plan both in February 2024;
- 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;
- The company has advanced discussions with an external lender to refinance the existing current debt facilities;
- 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;
- High gold and silver prices which lend themselves to a profitable resumption of production from material from either the Wonawinta silver project or the Mt Boppy gold project.

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 that it is appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that might be necessary to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report, 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 2023 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.

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 2023 unless otherwise stated.

Several amendments and interpretations apply for the first time in the current financial year, but do not have an impact on the interim consolidated financial statements of the Group and are not expected to have any significant impact for the full financial year ending 30 June 2024. These standards are:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or non-current.

Any new, revised or amending Accounting Standards or Interpretations that are not yet effective have not been adopted. The consolidated entity has not yet completed a detailed review of these, however does not expect any of them to have a material impact on the financial results upon adoption.

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 - Australia: 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 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 2023 and 31 December 2022.

Half-year ended 31 December 2023	**Exploration NZ**	**Exploration Australia**	**Operations**	**Total**
				$
Segment revenue (external customers)	-	-	14,458,032	**14,458,032**
Segment cost of sales	-	-	(17,992,997)	**(17,992,997)**
Segment operating contribution	**-**	**-**	**(3,534,965)**	**(3,534,965)**
Other income	-	-	260,122	**260,122**
Expenses	(96,110)	(4,685)	(2,108,938)	**(2,209,733)**
Foreign exchange gains / (losses)	-	-	828,177	**828,177**
Finance expenses	-	-	(3,909,483)	**(3,909,483)**
Profit / (loss) before income tax	**(96,110)**	**(4,685)**	**(8,465,087)**	**(8,565,882)**

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)**

The following table presents segment assets and liabilities of operating segments at 31 December 2023 and 30 June 2023.

Segment Assets	Exploration NZ	Exploration Australia	Operations	Total $
As at 31 December 2023	26,604,213	9,711,441	24,132,927	60,448,581
As at 30 June 2023	26,277,212	8,923,441	26,305,002	61,505,655

Segment Liabilities	Exploration NZ	Exploration Australia	Operations	Total $
As at 31 December 2023	-	2,580	47,084,184	47,086,764
As at 30 June 2023	-	67,442	41,496,239	41,563,681

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 2023 $	31 December 2022 $
(a) Operating sales revenue			
Sale of mineralised ore – gold		13,746,545	1,445,718
Sale of mineralised ore – silver		711,487	7,480,351
Total revenue from contracts with customers		**14,458,032**	**8,926,069**
(b) Other income			
Income from insurance claims		18,959	195,573
Government grants		150,000	-
Other income		91,163	189,652
Total other income		**260,122**	**385,225**

6 Expenses

(a) Cost of sales

		31 December 2023 $	31 December 2022 $
Mining expenses		-	233,497
Hauling and crushing expenses		5,158,494	2,525,288
Processing and refining expenses		8,564,888	11,186,461
Site administration expenses		3,110,769	2,447,027
Amortisation of mine properties	9	19,063	662,844
Inventory movements		1,139,783	(598,341)
Total cost of sales		**17,992,997**	**16,456,776**

(b) Other expenses

		31 December 2023 $	31 December 2022 $
Professional expenses		1,129,876	434,028
Employment expenses		651,064	513,661
Depreciation and amortisation		274,835	72,303
Impairment – development assets	9(a)	-	1,825,705
Impairment – rehabilitation assets	9(b)	-	2,175,876
Other expenses		153,958	287,685
Total other expenses		**2,209,733**	**5,309,258**

(c) Finance expenses / (income)

	31 December 2023 $	31 December 2022 $
Interest expense	3,132,829	1,075,487
Amortisation of prepaid borrowing costs	269,419	289,161
Discounting and change of rehabilitation provisions	64,741	(74,568)
Discounting impact of financial assets	(210,765)	511,526
Share-based payments to lenders	407,510	-
Other finance charges / (income)	245,749	(653,725)
Total finance expenses / (income)	**3,909,483**	**1,147,881**

7 Inventories

Inventories consist of the following:

	31 December 2023 $	30 June 2023 $
Consumables supplies and spares	335,431	373,264
Ore concentrate in circuit	707,550	1,706,141
Ore stockpiles	-	227,940
Inventories at cost or net realisable value	**1,042,981**	**2,307,345**

(a) During the current period Ore concentrate in circuit and Ore stockpiles have been written down to net realisable value (2023: Nil write down) as follows:

	31 December 2023 $
Ore concentrate in circuit at cost	957,158
Inventory write down	(249,608)
Ore concentrate in circuit at net realisable value	707,550
Ore stockpiles at cost	529,026
Inventory write down	(529,026)
Ore stockpiles at net realisable value	-

8 Other financial assets

	Notes	31 December 2023 $	30 June 2023 $
Other financial assets comprise the following:			
Current assets at historical cost			
Mt Boppy Resources - Deposits for exploration bonds		186,000	186,000
Non-current assets at amortised cost			
Manuka Resources - Deposit for environmental bond	(a)	4,804,860	4,639,792
Mt Boppy Resources – Deposit for environmental bond	(b)	1,172,437	1,132,598
Term Deposit	(a)	170,536	164,678
Other Deposits		23,565	-
		6,357,398	**6,123,068**

Financial asset disclosures have been prepared on the assumption that while the company is awaiting completed assays from its sonic drill program, any future mine or production plan developed as a result of the program will remain consistent in term with the assumptions of life of mine at 30 June 2023. The carrying amount of other financial assets is considered a reasonable approximation of fair value unless stated below:

(a) The Environmental Bond and the Term Deposit in the name of Manuka Resources Ltd have been amortised with reference to a discount rate of 3.61% (2023: 3.96%). They have been discounted over a 4.5 year period (2023: 5 years) which is the Group's best approximation as to when the rehabilitation work will have to be conducted. The discount rate used is based on the 4 year interest free bond rates quoted by Bloomberg.

(b) The Environmental Bond Deposits in the name of Mt Boppy Resources Pty Ltd have been amortised with reference to a discount rate of 3.61% (2023: 3.96%). They have been discounted over a 4.5 year period (2023: 5 year) which is the Group's best approximation as to when the rehabilitation work will have to be conducted. The discount rate used is based on the 4 year interest free bond rates quoted by Bloomberg.

9 Development assets and mine properties

		31 December 2023 $	30 June 2023 $
Development assets at cost and net carrying amount		197,500	197,500
Impairment of development assets	(a)	(182,767)	(182,767)
Accumulated amortisation		(14,733)	(14,733)
Net carrying amount		**-**	**-**
Mine properties at cost		9,067,223	9,047,223
Rehabilitation cost estimates		-	-
Impairment of mine properties	(a)	(1,642,938)	(1,642,938)
Accumulated amortisation		(6,784,605)	(6,765,542)
Net carrying amount		**639,680**	**638,743**

	Notes	31 December 2023	30 June 2023
Total development assets and mine properties at cost		9,264,723	9,244,723
Rehabilitation cost estimates		2,175,876	2,175,876
Impairment of rehabilitation cost estimates	(b)	(2,175,876)	(2,175,876)
Impairment of mine properties and development assets	(a)	(1,825,705)	(1,825,705)
Accumulated amortisation		(6,799,338)	(6,780,275)
Total net carrying amount		**639,680**	**638,743**

During the period, the Company was focused on producing gold from screening rock dump and tailings material at the Mt Boppy ROM. Bulk sample evaluation has continued and has progressed evaluation of the Mt Boppy Main waste rock dump, the low grade rock dump and tailings at the TSF3 impoundment. For further details as to the assessment undertaken by the Company on the carrying value of development assets and mine properties at 31 December 2023, refer to Note 11 below.

(a) During the prior period 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.

(b) During the prior period the Group decided to halt the Wonawinta Silver Trial program and return to Mt Boppy to screen and process ore stockpiles and continue exploration in line with the Company's strategic exploration review. Whilst the Company has positive future cashflow forecasts over the Wonawinta Silver Project, prior year challenges and negative profitability resulted in a shift back to processing Mt Boppy Ores. Considering the above, the Company has written off its rehabilitation assets in full.

10 Exploration and evaluation assets

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

		31 December 2023 $	30 June 2023 $
Exploration assets			
Opening net book amount		35,200,653	8,457,839
NZ Exploration assets acquired at cost	(a)	327,001	26,277,212
Transfer to development assets		-	(192,344)
Exploration and evaluation costs during the year	(b)	788,000	657,946
Net book value		**36,315,654**	**35,200,653**

(a) During the prior period ended 30 June 2023, the Company acquired the assets and liabilities of Trans-Tasman Resources Ltd, including the mining and exploration licences and exploration assets in relation to their Taranaki VTM Iron Sand Project in New Zealand. 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.

The Group 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.

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)

Acquisition costs incurred in the prior period were $244,133. The costs were directly attributable to the issue of shares and have been capitalised.

NZ explorations assets acquired at cost of $AU327,001 the current period relates to foreign currency translation of NZ exploration and evaluation assets.

(b) During the period under review the Company's geological team has continued to implement in part the exploration work programmes established from the Company's Strategic Exploration Review[6]. Planned drilling of Pipeline Ridge and Mt Boppy deeps was deferred to early 2024 calendar year. A sonic drilling program was completed in December 2023 on the Mt Boppy waste dump, the results of which will progress establishing the viability of future processing. Refer to Note 11.

11 Property, plant and equipment

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

Included within Plant and Equipment is an amount of $64,083 (30 June 2023: $160,208) representing costs incurred on equipment which was not brought to use as at 31 December 2023 and as such represents capital works in progress.

[6] Refer ASX release dated 14 February 2023

	Land	IT Equipment	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Right of Use Assets	Total
	$	$	$	$	$	$	$
Year ended 30 June 2023							
Opening net book value	754,995	18,991	14,997,962	38,952	592,211	374,641	16,777,752
Additions	-	12,655	568,471	26,656	-	-	607,782
Disposals	-	-	(224,292)	-	(31,819)	-	(256,111)
Depreciation	-	(14,734)	(1,018,619)	(11,984)	(63,507)	(140,654)	(1,249,498)
Closing net book value	**754,995**	**16,912**	**14,323,522**	**53,624**	**496,885**	**233,987**	**15,879,925**
Period ended 30 June 2023							
Cost	754,995	112,841	17,599,141	80,595	774,120	425,647	19,747,339
Accumulated Depreciation	-	(95,929)	(3,275,619)	(26,971)	(277,235)	(191,660)	(3,867,414)
Net book value	**754,995**	**16,912**	**14,323,522**	**53,624**	**496,885**	**233,987**	**15,879,925**
Balance as at 1 July 2023	754,995	16,912	14,323,522	53,624	496,885	233,987	**15,879,925**
Additions	-	5,706	1,102	-	-	443,513	**450,321**
Disposals	-	-	(96,125)	-	-	-	**(96,125)**
Depreciation	-	(7,234)	(613,101)	(5,590)	(30,492)	(256,606)	**(913,023)**
Closing net book value	**754,995**	**15,384**	**13,615,398**	**48,034**	**466,393**	**420,894**	**15,321,098**
Balance 31 December 2023							
Cost	754,995	118,547	17,504,118	80,595	774,120	869,160	**20,101,535**
Accumulated Depreciation	-	(103,163)	(3,888,720)	(32,561)	(307,727)	(448,266)	**(4,780,437)**
Net book value	**754,995**	**15,384**	**13,615,398**	**48,034**	**466,393**	**420,894**	**15,321,098**

In light of the operating loss for the period, primarily from reduced grades from gold processing, the Company has reviewed the carrying value of the Company's Cobar Plant and Equipment and Cobar Cash Generating Units (CGUs) for impairment as at 31 December 2023. On-site processing and production through the plant has been suspended while the Company awaits receipt of assays from the sonic drill samples submitted to an independent laboratory. On review of final assays the Company intends to produce a revised mine and production plan to determine optimal processing and recovery zones. A draft 12-month forecast based on interim assay results has been prepared that supports a profitable resumption of processing of gold ores over this period, however a longer term plan has not yet been completed and is dependent on the final results from the sonic drill program. On finalisation of the revised mine and production plan the Company will undertake a further reassessment of the carrying value of the Company's Plant and Equipment and Cobar basin Cash Generating Unit (CGU).

12 Trade and other payables

	Notes	31 December 2023	30 June 2023
		$	$
Current			
Trade creditors		9,365,538	5,845,969
Other creditors and accruals		745,908	1,292,923
Total trade and other payables		**10,111,446**	**7,138,892**

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 2023 $	30 June 2023 $
Current			
Employment provisions		712,789	643,823
Total current provisions		**712,789**	**643,823**
Non-current			
Employment provisions		116,830	97,400
Rehabilitation provisions	13.1	7,740,873	7,676,132
Total non-current provisions		**7,857,703**	**7,773,532**
Total provisions		**8,570,492**	**8,417,355**

13.1 Rehabilitation provisions

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

	Notes	31 December 2023 $	30 June 2023 $
Rehabilitation provisions			
Manuka Resources Ltd (Wonawinta project)		6,619,824	6,634,705
Mt Boppy Resources Ltd		1,121,049	1,041,427
Total rehabilitation provisions		**7,740,873**	**7,676,132**

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 carrying value of the rehabilitation provisions for both Manuka Resources and Mt Boppy have been calculated with reference to an average inflation rate of 2.77% (30 June 2023: 3%) and a discount rate of 3.61% (30 June 2023: 3.96%) over 4.5 years (30 June 2023: 5 years). Rehabilitation provision calculations and disclosures have been prepared on the assumption that, while the company is awaiting completed assays from its sonic drill program, any future mine or production plan developed as a result of the program will remain consistent with the assumptions of life of mine at 30 June 2023, as this remains the Group's best estimate.

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 2023	30 June 2023
		$	$
Related party loans	14.2(a)	1,475,699	1,216,715
Senior secured debt facility (net of borrowing costs)	14.2(b)	15,173,998	14,383,355
Working capital facility	14.2(c)	9,927,229	7,841,636
Other loans	14.2(d)	930,162	1,082,870
Total current borrowings		**27,507,088**	**24,524,576**
Non-current			
Other loans	14.2(d)	221,170	255,172
Total non-current borrowings		**221,170**	**255,172**
Total borrowings		**27,728,258**	**24,779,748**

The Senior Secured Debt Facility and Working Capital Facility are denominated in US Dollars all other borrowings are denominated in Australian Dollars.

(a) The related party loans include the following:

	31 December 2023	30 June 2022
	$	$
ResCap Investments Pty Ltd	1,475,699	1,216,715

The loan provided by ResCap Investments Pty Ltd includes the opening balance loan plus working capital drawn down during the period. The loan has an interest rate of 16% and is repayable on 30 September 2024. The principle outstanding at 31 December 2023 was 1,196,271 with $279,428 owing in accrued interest. As part of the Placement announced to the market on 2 February 2024, the Company agreed to convert $867,500 of this debt into equity at an issue price of $0.07 per share which is in line with participants of the Placement. The debt conversion is subject to shareholder approval at a general meeting of shareholders to be held on the 2nd April 2024.

(b) The Company signed a debt facility agreement (Senior Secured Debt Facility) with TransAsia Private Capital Limited (TPC) during July 2019, with the first drawdown occurring in July 2019. As at 31 December 2023, the balance owing under the facility was US$8Million plus interest (AU$15,335,893). The interest rate attributable to this facility is 12.5% per annum payable quarterly, with service and management fees of 2.5% per annum. During the current period, the Company successfully negotiated to extend the term of the secured debt facility to 30 September 2024. The extension has been granted on existing terms and rates with no extension penalties or cash fees. The Company resolved at a Board meeting held 19 September 2023 to grant the issue of 25 million options in four tranches with an exercise price based on the 5-day VWAP plus a 10% premium. The first tranche being 10 million options were approved for issue at a meeting of shareholders on 16th November 2023 and were issued on 20th November 2023. The second tranche being 5 million options were issued on 24th January 2024.

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

	31 December 2023 $	30 June 2023 $
Senior secured debt facility	15,335,893	14,626,763
Less: Borrowing Costs	(161,895)	(243,408)
Total senior secured debt facility (net of borrowing costs)	**15,173,998**	**14,383,355**

(c) The Company signed a USD denominated working capital facility agreement (Working Capital Facility) with a commodity trading company with a minimum term of three years. Drawdowns under the facility and repayable within 180 days. The interest rate attributable to this facility is set at the 3 Month Secured Overnight Financing Rate (SOFR) plus 4% per annum. A facility fee of 4.8% per quarter is payable on drawdowns under the facility.

(d) During the period the Company entered into a number of small short-term asset-based funding agreements. The details of outstanding loans at 31 December 2023 are as follows:

	31 Dec 2023 $	Av. Interest Rate % p.a.	Expiry date
Short-term loan	555,000	16.0%	31 May 2024 with option to convert to equity
Asset backed finance	309,465	11.5%	March 2024
Vehicle Finance	53,068	6.0%	March 2025
Equipment Finance	233,799	11.0%	December 2027
Total other loans	**1,151,332**		

15 Earnings / (Loss) per share

	Six months to 31 December 2023 $	Six months to 31 December 2022 $
Profit / (loss) for the period attributable to equity holders of the Company	(8,565,882)	(13,246,268)
	No of shares	**No of shares**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share *	556,606,947	287,601,208
	Cents per share	**Cents per share**
Basic earnings / (loss) per share	(1.54)	(4.61)
Diluted earnings / (loss) per share	(1.54)	(4.61)

* As the Group made a loss for the period ended 31 December 2023, 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 2023	30 June 2023	6 months to 31 December 2023	12 months to 30 June 2023
	# Shares	# Shares	$	$
Shares issued and fully paid:				
• At beginning of period	540,870,062	286,020,381	57,038,387	25,771,113
• share issue 10 Nov 2022[(a)]	-	176,938,295	-	25,656,053
• share issue 15 and 22 Dec 2022[(b)]	-	39,142,856	-	4,110,000
• share issue 3 Feb 2023 [(c)]	-	700,000	-	66,500
• share issue 17 April 2023 [(d)]	-	38,068,530	-	2,398,097
• share issue 21 August 2023 [(e)]	17,250,000	-	862,500	-
• share issue 28 August 2023 [(f)]	3,700,000	-	185,000	-
• share issue 28 August 2023 [(g)]	700,000	-	37,100	-
• Placement expenses	-	-	(172,980)	(963,376)
• Conversion of debt to equity[(h)]	2,600,000	-	228,800	-
Total share capital at end of period	**565,120,062**	**540,870,062**	**58,178,807**	**57,038,387**

a) During the prior year, and as approved at a meeting of shareholders on 21 September 2022, the Company acquired 100% of the fully paid shares in Trans-Tasman Resources Limited on completion of the acquisition on 10 November 2022. (Refer to Note 10(a))

b) During the prior period the Company announced completion of a Placement of $4,110,000 before costs. Under the placement, the Company issued 39,142,856 shares at an issue price of $0.105 per share to sophisticated, professional and institutional investors.

c) During the prior period and as ratified at a meeting of shareholders on 14 April 2023[7], the Company issued the 700,000 Financier Shares for nil cash consideration, at a time when the market value of the shares was $0.095 per share to Claymore Capital Pty Ltd (or its nominee) on 3 February 2023 as payment of the Establishment Fee and Facility Fee for a short-term debt facility.

d) During the prior period the Company announced completion of a private placement of $2,398,097 before costs through the issue of 38,068,530 ordinary shares at the 10-day VWAP, to unrelated professional and sophisticated investors.

e) On 21 August 2023 the Company announced a private placement of $862,500 before costs through the issue of 17,250,000 ordinary shares at an issue price of $0.05, to a very small number of professional and sophisticated investors, who were made up of clients of the Lead Manager or existing shareholders participating through their broker with the agreement of the Lead Manager.

[7] Refer ASX announcement 15 March 2023

f) On 28 August 2023 the Company announced a private placement of $185,000 before costs through the issue of 17,250,000 ordinary shares at an issue price of $0.05, to a very small number of professional and sophisticated investors, who were made up of clients of the Lead Manager or existing shareholders participating through their broker with the agreement of the Lead Manager.

g) As ratified at the annual general meeting of shareholders on 16 November 2023[8], the Company issued the 700,000 Financier Shares for nil cash consideration, at a time when the market value of the shares was $0.053 per share to Claymore Capital Pty Ltd (or its nominee) on 28 August 2023, as consideration for the extension of the short-term funding agreement.

h) The Company issued 2,600,000 Shares for nil cash consideration in full repayment of the balance of a short-term loan to Eclectic Investments Pty Ltd on 20 December 2023 at a time when the market value of the Company shares was $0.088 per share.

17 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 2023		30 June 2023	
	# Options	Weighted average exercise price cents	# Options	Weighted average exercise price cents
Beginning of the period	90,705,685	20	54,016,669	37
Granted	36,757,575	8	69,605,685	18
Forfeited	-	-	-	-
Exercised	-		-	-
Expired	(39,034,266)	(21)	(32,916,669)	(42)
Outstanding at period end	**88,428,994**	**15**	**90,705,685**	**20**
Exercisable at period end	**88,428,994**	**15**	**90,705,685**	**20**

No share options were exercised during the period ended 31 December 2023.

The fair values of options granted were determined using the Black Scholes 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 1.6 years (30 June 2023: 1.2 years), and the weighted average exercise price is at 15 cents (30 June 2023: 20 cents).

At 31 December 2023 the total value of the share based payment reserve is $4,766,565 (30 June 2023: $4,242,049).

[8] Refer ASX announcement 16 October 2023

17.1 Senior Secured Lender Options

In August 2023, the Company negotiated an extension of the Senior Secured Debt Facility to 30 September 2024[9]. Key features of the revised facility include:

- No upfront payments and a single bullet payment due on 30 September 2024;
- No early repayment penalties;
- No hedging requirement; and
- The issue of 10 Million options expiring in November 2025 with a strike price based on a VWAP formula, with an additional 5 Million options per quarter over the following 3 quarters 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 November 2023, a finance charge representing the option value of $187,906 has been capitalised against the borrowings (refer Note 14.2(b)) and credited to the share option reserve. The finance charge will be amortised over the remaining life of the loan. During the current period an expense of $269,419 against these options plus prior period options have been amortised through the profit and loss.

17.2 Working Capital Facility Lender Options

In August 2023, the Company negotiated the extension of repayment of a $US1.5million drawdown under the Working Capital Facility. In relation to the issue of the options negotiated as part of the repayment extension and issued November 2023, a finance charge representing the option value of $287,805 has been expensed through the profit and loss as a finance charge and credited to the share option reserve.

18 Commitments for expenditure

18.1 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 2023 $	30 June 2023 $
Not later than one year	1,122,667	1,122,667
Between 1 year and 5 years	3,315,232	4,367,333
	4,437,899	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.

19 Related party transactions

19.1 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.

[9] Refer ASX announcement dated 8 September 2023.

	Notes	6 months to 31 December 2023 $	6 months to 31 December 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		93,173	66,864

	Notes	31 December 2023 $	30 June 2023 $
DETAILS OF BALANCES WITH RELATED PARTIES:			
Balance of loan with Manuka Resources Ltd			
- payable to ResCap Investments Pty Ltd	14(a)	1,475,699	1,216,714

19.2 Transactions with key management personnel

Key management personnel remuneration includes the following expenses:

	Notes	31 December 2023 $	31 December 2022 $
Short-term employee benefits		505,318	486,679
Post-employment benefits		27,184	25,292
Share based payment expenses		-	-
Total remuneration		**532,502**	**511,971**

20 Events subsequent to the end of the reporting period

- **Share Placement and Share Purchase Plan (SPP)**

  On 7th February 2024 the Company successfully completed a Share Placement to new and existing sophisticated investors to raise \$3.178 million cash together with \$3.089 million debt conversion to give a total Placement of over \$6 million[10]. \$970,000 of the debt conversion is to Director related entities and will be subject to approval by Shareholders at a General Meeting to be held on 2nd April 2024. In addition to the Placement, the company completed a Share Purchase Plan on 26 February 2024. A total of \$717,275 was raised by this SPP.

- **Conversion \$3.089 million debt to equity**

  On 7th February 2024 as part of the successful Share Placement noted above, the Company negotiated the conversion of \$3.089 million in debt to equity. Of this amount \$1.835 million related to the conversion of a portion of the Company's working capital facility into shares. Director related entities have agreed to the conversion of \$970,000 debt to equity (included in the \$3.089 million above) which is subject to shareholder approval at a meeting of shareholders scheduled to be held on 2 April 2024.

[10] Refer ASX Announcement dated 7 February 2024 and amended Appendix 3B dated 26 February 2024

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.

21 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

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 the consolidated entity’s financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and

ii. Complying with Australian Accounting Standard AASB 134 ‘Interim Financial Reporting’, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

iii. The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

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; and

c a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the corporations Act 2001.

Director
Dennis Karp

Dated the 14 March 2024

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

Report on the Half Year Financial Report

Qualified 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 2023, 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, except for the matter described in the Basis for Qualified Conclusion section of our report, 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 2023 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 Qualified Conclusion

Note 11 of the half-year financial report refers to the Group's Property, Plant and Equipment ("PP&E") with a net book value of $15,321,098 at 31 December 2023 and Note 9 of the half-year financial report refers to the Group's Development Assets of $639,680 at 31 December 2023. These balances relate to the Group's Mt. Boppy and Wonawinta projects and the associated processing plant located in the Cobar region of New South Wales. Note 10 refers to the Group's Exploration and Evaluation balances, of which $9,711,441 also relates to assets in the Cobar region. Collectively these make up the Cobar Cash Generating Unit ("Cobar CGU").

We were unable to obtain sufficient appropriate evidence about the carrying amount of the Cobar CGU at 31 December 2023 as the Group has identified indicators of impairment but does not presently have sufficient information to determine the recoverable amount. The Group assesses recoverable amount with reference to a discounted cash flow model, however a mine and production plan for the Cobar CGU to be included in this model cannot be determined as it is dependent on the results of a sonic drilling program currently being undertaken, which are not yet available. Consequently, we were unable to determine whether any adjustments to these carrying amounts were necessary.

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.

Building a better working world

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 $36,954,762 as at 31 December 2023. 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.

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 2023 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.

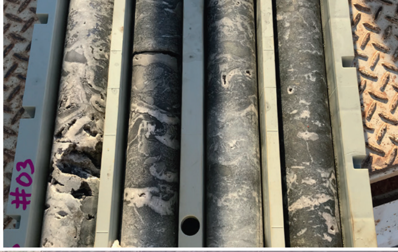
Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
Sydney
14 March 2024



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