Manas Resources Limited

ACN 128 042 606

Annual Financial Report

31 December 2015

Directors	Mark Calderwood	Executive Chairman
	Colin Carson	Non-Executive Director
	Justin Lewis	Non-Executive Director
Chief Operating Officer	Philip Reese	
Company Secretary	Susmit Shah	
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Stock Exchange Listing	Australian Securities Exchange	(Code – MSR)

REVIEW OF OPERATIONS

Executive Summary

In 2015, Manas Resources Limited continued to advance the development of the Shambesai Gold Project (SGP) in the Tien Shan gold belt in Central Asia's Kyrgyz Republic. Only limited activities were carried out on its other Kyrgyz exploration licence areas. The Company's Mineral Resource base is unchanged at 1.18 million ounces of gold at the Obdilla and Shambesai prospects which are only 7km apart and are part of the South Kyrgyz Gold Project. The South Kyrgyz Gold Project covers an extensive land holding over a total of five projects and a Bankable Feasibility Study ('BFS') has been completed for the planned 50,000 ounce per annum Shambesai Gold Project.

The Tien Shan gold belt stretches from eastern China through into Uzbekistan and Tajikistan. This mineral province is considered to be highly prospective for 'World-Class' gold deposits (+5 million ounces of gold) and hosts the +100 million ounce Muruntau gold mine in Uzbekistan.

The style of gold mineralisation found on Manas's South Kyrgyz Gold Project exhibits similar characteristics to the Carlin-style gold deposits of Nevada, USA. The Carlin-style deposits in Nevada have yielded deposits such as Carlin and Gold Quarry, while other Carlin-style deposits located in Asia include Jinfeng in China and Sepon in Laos. Manas has applied a proven exploration model for targeting Carlin-style gold deposits and, as a result, defined more than 30 prospects at its South Kyrgyz Gold Project.

The Company has continued to advance the SGP through 2015, with significant progress on completing its environmental and technical permitting which are detailed below. Due to the difficult climate for mineral resource investments it has been challenging to find an investor interested in acting as a cornerstone to facilitate debt funding or to commit to outright purchase of the project. However with the increase in gold price in early 2016 the Company is seeing renewed interest in the project and is in active discussions with a number of parties with regards potential investment opportunities.

Summary of Mineral Resource and Reserve Estimates Reported according to JORC Category and Deposit									
Category	**Shambesai**			**Obdilla**			**Total**		
	Tonnes (M)	**Grade g/t Au**	**Ounces**	**Tonnes (M)**	**Grade g/t Au**	**Ounces**	**Tonnes (M)**	**Grade g/t Au**	**Ounces**
Measured	1.2	3.0	111,000				1.2	3.0	111,000
Indicated	6.4	2.7	556,000	6.3	1.8	353,000	12.7	2.3	909,000
Inferred	0.5	1.9	29,000	2.9	1.4	132,000	3.4	1.5	161,000
Total Resource	**8.1**	**2.7**	**697,000**	**9.2**	**1.7**	**487,000**	**17.3**	**2.2**	**1,184,000**
Proved	0.8	3.3	85,000				0.8	3.3	85,000
Probable	1.6	3.9	194,000				1.6	3.9	194,000
Total Reserve	**2.4**	**3.7**	**279,000**				**2.4**	**3.7**	**279,000**

Table 1 – Summary of Mineral Resource and Reserve Estimates

REVIEW OF OPERATIONS continued

South Kyrgyz Gold Project, Kyrgyz Republic

Manas' 100%-owned South Kyrgyz Gold Project in the Kyrgyz Republic, Central Asia, is comprised of five exploration licence areas in the South of Kyrgyzstan. Included in these are the Shambesai and Obdilla gold deposits.

Manas completed a Bankable Feasibility Study (BFS) for the Shambesai project in May 2013 and an updated feasibility study in February 2015 which forecast it as a technically low risk, low capital cost and highly profitable gold operation. A mining and development licence was issued for Shambesai during 2013 and extended in late 2015 for 10 years through until the end of 2025.

The Company released an updated capital cost estimate in February 2016 based on work completed in 2015 in which it reforecast the project financials based on the updated cost and pricing information. A new option for a smaller, lower technical risk, open pit design was also presented at this time to demonstrate the robustness of the project at lower gold prices.

Updated Project Economics February 2016

Revised capital and operating costs for the project were released in a project update in February 2016 reflecting work completed through 2015 following completion of all major permitting for the project construction. The Company also presented the outcomes of on-going work on a re-optimised smaller pit option with significantly reduced ore movements and similar economics to the BFS open pit. Re-optimisation of the open pit at US$1,100 per ounce of gold (based on oxide ore only) has resulted in a 50% reduction of waste with a 10% loss of gold. The two pit designs are compared in Table 2.

Table 2 – Summary of Key Parameters for the Open Pit Design Options

Pit Designs	Ore Mt	Waste Mt	Total Mt	Au g/t	Gold Ounces	Strip Ratio
BFS Pit	2.4	15.8	18.2	3.7	279,000	6.7:1
Small Pit	1.9	7.4	9.4	3.9	244,000	3.9:1
Difference	-0.4	-8.4	-8.8		-35,000	

Notes:
Inferred resources included as waste
Mined tonnages are after allowing for mining dilution and ore loss

The SGP is designed to have an average annual throughput of around 550,000 tonnes of ore producing on average 55,000 ounces of gold per annum treating the oxide and sulphide ore reserves falling within the design pit. The project targets shallow, high-grade oxide portion of the Measured and Indicated Mineral Resource at Shambesai. Proved and Probable Ore Reserves that fall within the design pit shell to be mined at Shambesai which are projected to be 2.35M tonnes at 3.7 g/t for 279,000 ounces of gold.

Non-refractory oxide and sulphide ore from the open pit will be divided into high-grade and low-grade streams using a cut-off grade of 2.0 g/t gold. Oxide ore above 2.0 g/t will be treated following crushing and agglomeration using a two stage, vat and heap leach process route and the lower grade oxide ore will be treated following crushing and agglomeration of fines on the heap leach. High grade sulphide ore will be crushed and stockpiled for a number of months to encourage oxidation and then treated on the heap leach. Low grade sulphide ore will be stockpiled and treated at the end of the mine life and only if economically viable at that time. Overall average gold recoveries for all ore types over the life-of-mine are estimated to be 85.9%.

Oxide ore, with rapid leaching, high-recovery of gold and very low treatment costs, accounts for over 90% of the total gold estimated to be able to be recovered at Shambesai. Recovery of gold from the vat leach where the high grade oxide ore is initially treated accounts for over 80% of total production. Initial treatment of the high-grade ore through the vat leach is designed to recover the majority of the gold very quickly (within 3 days), with the ore then placed on the heap leach pads to complete the recovery process. Refractory sulphide ore only accounts for approximately 9% of all ore processed.

While the Shambesai BFS is primarily focused on treatment of high-value oxide ore from an initial open pit, the ability to process sulphide ore through this simple process route will allow the re-evaluation of potential reserve and production expansion through incorporating further material from the 697,000 ounce Shambesai Mineral Resource.

The BFS open pit production for the SGP remains as previously forecast with 2.35Mt of ore processed at 3.7 g/t gold containing 279,000 ounces of gold, and recovery of 241,000 ounces of gold over a 4 ½ year mine life.

At a gold price of US$1,100 per ounce gold price, operating cash costs of US$345 per ounce of gold are forecast (C1 costs excluding revenue based royalties and taxes). Average total cost of production (C3 costs) after capital, development and operating costs, taxes and royalties excluding further exploration drilling, corporate overheads and financing costs is estimated to be US$584 per ounce of gold produced. See Table 3 below.

The updated economic parameters for the BFS Open Pit show undiscounted net cash flows of US$121M after life-of-mine capital expenditure of US$39.1M, operating costs, taxes and royalties. The capital cost to first production and gold pour are estimated to be US$27.9M with payback of this capital within the first 13 months of operation.

The NPV of Shambesai has been estimated at US$83M at an 8% discount rate over the 4 ½ year mine life. The project cash flows deliver a recalculated IRR of 100%. All of the BFS cash flow estimates are calculated at a US$1,100 gold price and are made assuming the treatment of all oxide and high grade sulphide ore within the design pit shell, and after all revenue-based taxes and royalties have been paid.

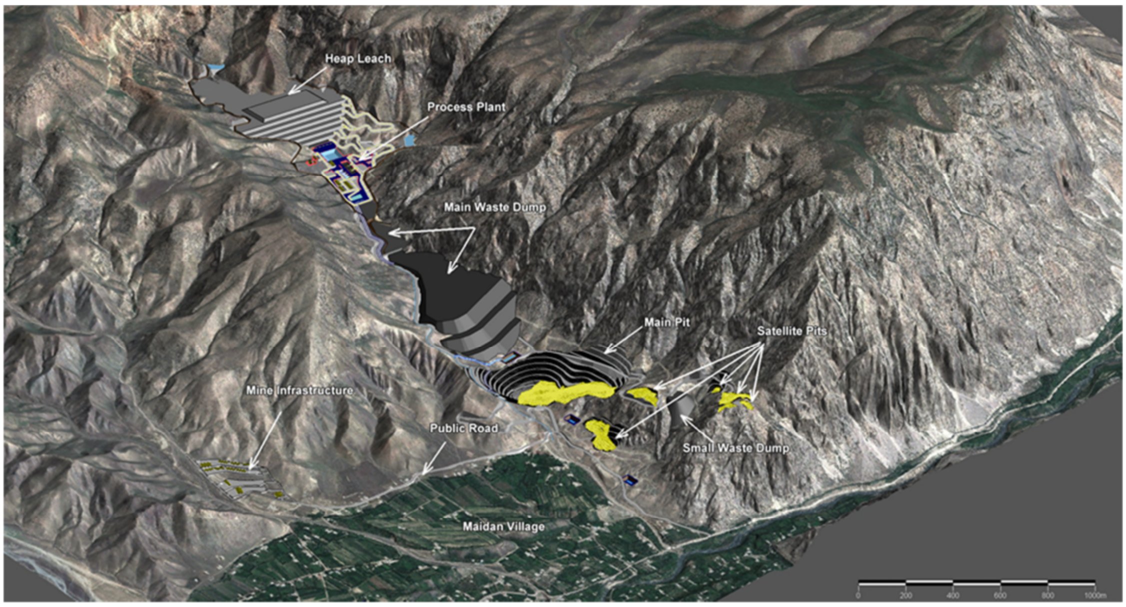

Figure 1 – BFS open pit, waste dump and processing facility at Shambesai

REVIEW OF OPERATIONS continued

Table 3 - Summary of Key Economic Parameters for the Shambesai Gold Project (US$1,100 LOM gold price)

	Feb 2015 Costs; BFS Pit	Feb 2016 Costs; BFS Pit	Feb 2016 Costs; Small Pit
Total Ore Mined[1]	**2.54 Mt at 3.7 g/t for 279,000 ounces**	**2.54 Mt at 3.7 g/t for 279,000 ounces**	**1.93 Mt at 3.9 g/t for 244,000 ounces**
Mining Rate – (Average tonnes of ore PA)	**+550,000t**	**+550,000t**	**+550,000t**
Average annual gold production	**55,000 ounces**	**55,000 ounces**	**55,000 ounces**
Project life	**4 ½ years**	**4 ½ years**	**4 years**
Average Processing Recovery Life of Mine	**85.9%**	**85.9%**	**86.8%**
Total Amount of Gold Recovered	**241,000 ounces**	**241,000 ounces**	**212,000 ounces**
After-tax NPV at 8% discount rate[2]	US$68M	US$83M	US$77M*
Internal Rate of Return	74%	100%	90%*
Life-of-mine cash flow after tax and royalties[3]	**US$94M**	**US$121M**	**US$106M**
Average Operating Cash Cost (C1)[4]	**US$414 per ounce LOM**	**US$345 per ounce LOM**	**US$314 per ounce LOM**
Average Total Cost including Total Capital (C3)	**US$703 per ounce LOM**	**US$591 per ounce LOM**	**US$584 per ounce LOM**
Capital Cost to First Gold	**US$40.7M**	**US$27.9M**	**US$27.9M**
LOM Capital Cost	**US$42.6M**	**US$39.1M**	**US$38.4M**
Payback Period	**14 months**	**13 months**	**18 months***

1. Based on the Measured and Indicated Resource contained within the pit design adjusted for mining recovery and dilution
2. NPV after Kyrgyz 1% revenue tax, 3% royalty, 2% sales tax and 2% community payments on gross revenue taking into account the revised regime in the country applying from January 2013
3. Undiscounted and net of life of mine capital costs
4. Average operating cost per ounce C1 is calculated according to the Brooke-Hunt methodology. However it excludes royalty and revenue based tax payments which form the corporate tax in Kyrgyzstan
5. The NPV, IRR and Payback of the smaller pit could be improved by further optimisation of scheduling of waste mining.

*The overall project economics for the Small Pit are slightly less attractive than the BFS Pit with an NPV(8%) of US$77M versus US$83M. However the smaller pit design has less technical risk than the BFS design and the lowered waste volumes result in much lower strip ratios and mining costs so reduce the project sensitivity to potential increases in fuel prices. The Company is undertaking on-going evaluation of the small pit design in conjunction with consideration of the viability of an underground mine.

Permitting and Licences

In January 2015, Manas received confirmation from the State Agency for Geology and Mineral Resources (SAGMR) had approved all work plans, budgets and licences for 2015 at the Company's 100%-owned mineral exploration licences in the Kyrgyz Republic. SAGMR reviewed and accepted all 2014 Annual Reports and the proposed work programs for 2015 on all licenses. The Company was able to also negotiate splitting its Savoyardy licence into separate prospecting and exploration licence areas which reduced its holding costs. The Company is continuing to rationalise its exploration holdings and is working on dropping some of its less prospective licence areas in early 2016 so it can concentrate on the development and exploration of the Shambesai Gold Project and its near-mine areas.

REVIEW OF OPERATIONS continued

In September 2015, Manas announced that it has received confirmation from the Kyrgyz Republic State Agency for Environmental Protection and Forestry (SAEPF) that the OVOS recommendations, including the community consultation process for the Shambesai Gold Project, were been satisfactorily fulfilled. The OVOS, which is the Kyrgyz Republic Environmental and Social Impact Assessment process, was the main environmental approval required for the Shambesai Gold Project to proceed through to production.

In October 2015, Manas announced that it had received the final technical approvals required to allow commencement of construction activities for its Shambesai Gold Project in the Kyrgyz Republic. The completion of the technical permitting for the mine, process plant and infrastructure facilities was a key undertaking required as part of the Mining License for the Shambesai project and follows on from finalisation of the Basic Engineering design approval for the project. Subsequently in late December 2015 Manas negotiated a 10 year extension of its Mining Licence for the SGP and, in late-February 2016, signed a new Mining License Agreement allowing for construction and operation of the project.

Community Relations

The Company continues to maintain its active community consultation process for the area surrounding the SGP in 2015. It has been able to build a strong support base for the Shambesai Project from key village members and village residents in close proximity to the Shambesai site during this period. This has been achieved through holding a number of constructive meetings with the local residents, council members and local Government authorities to explain the proposed project design and environmental measures. The Company continues to work towards community consultation objectives and developing a Memorandum of Cooperation with the community which it expects to finalise in the 2nd quarter of 2016.

Financing and Asset Sale

During the year discussions continued with a number of parties regarding the financing of the Shambesai Gold Project by way of a number of different structures. Due diligence site visits were completed during the year by various potential mining investors who have shown continuing interest in the Shambesai Gold Project. Non-binding, indicative and incomplete proposals ranging from possible corporate and project financing, to expressions of interest in purchasing the project outright have been received and are currently subject to further negotiation.

Since the release of the May 2013 Bankable Feasibility Study (BFS) the Company has had discussions with a significant number of potential finance sources and several mining finance institutions have undertaken formal due diligence.

As a result of these numerous discussions it is obvious the technical merits of the Shambesai Gold Project have been endorsed and would normally support immediate financing on attractive terms. However due to the location and size of the project, and market capitalisation of Manas, no binding offers of conventional project finance or joint venture opportunities have yet been presented.

While discussions regarding financing the full capital requirements for the Shambesai Gold Project continue, the Board will also consider sale offers for the Company's entire interest in the Shambesai Project, which process would be subject to shareholder approval prior to completion or alternatively the involvement of a cornerstone investor / joint venture partner with access to project finance.

COMPETENT PERSONS' STATEMENT

The Shambesai Gold Project Mineral Resource was updated to comply with the JORC Code 2012 Edition reporting framework and the Company reported results on 5 December 2014. There was no change to the resource classification, quantities or grade since the Mineral Resource release in March 2013. The information in this report that relates to the Shambesai Gold Project Mineral Resource was first reported by the Company in compliance with JORC 2012 in a market release dated 5 December 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 5 December 2014 and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Shambesai Gold Project Ore Reserve was updated to comply with the JORC Code 2012 Edition reporting framework and the Company reported results on 25 February 2015. The Company updated its key economic parameters for the Shambesai Gold Project on 22 February 2016 which showed that the proposed open pit design which forms the basis of the Shambesai Gold Project Ore Reserve is still economically attractive and that all material assumptions and technical parameters underpinning the ore reserve estimate continue to apply and have not materially changed.

The Mineral Resources information reported above in relation to the Obdilla Project was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Statements regarding Manas Resources' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Manas Resources' plans for development or sale of its mineral properties will proceed as currently expected. There can also be no assurance that Manas Resources' will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Manas Resources' mineral properties.

Your Directors present their report together with the financial report of Manas Resources Limited ("Manas" or the "Company") and its controlled entities (the "Consolidated Entity" or the "Group"), for the year ended 31 December 2015 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are as follows.

Directors were in office for the entire period unless otherwise stated.

Mark Calderwood
MAusIMM
Executive Chairman (Appointed 07/07/2015)
(Appointed to the Board 17/10/2007)

Mark Calderwood is a member of the Australasian Institute of Mining and Metallurgy and has over 20 years' experience in exploring for, and mining gold. He is experienced in resource/reserve estimation and feasibility studies. He retired as managing director of Perseus Mining Limited in January 2013 and was instrumental in that company's transition from an explorer to a producer. He has been closely involved over the past nine years with the Kyrgyz mineral properties.

Other current directorships
Explaurum Limited – appointed August 2013
Burey Gold Limited – appointed August 2014

Former directorships in the last 3 years
Perseus Mining Limited – appointed 23 January 2004, resigned 31 January 2013

Interest in shares

43,551,628	Ordinary shares in Manas Resources Limited

Colin Carson
CPA, FCIS, MAICD
Non-Executive Director
(Appointed 17/10/2007)

Colin Carson has been involved as a director and company secretary of a number of Australian public companies since the early 1980s and is presently an executive director of Perseus Mining Limited. He has been involved in the mining and oil sectors in the Kyrgyz Republic since 2003 and he is experienced with taxation and mining laws in the Kyrgyz Republic. Mr Carson is the current Chairman of the Audit Committee.

Other current directorships
Perseus Mining Limited – appointed 24 October 2003

Former directorships in the last 3 years
Equus Mining Limited – appointed 10 October 1994, resigned May 2013

Interest in shares

118,566,836	Ordinary shares in Manas Resources Limited

Justin Lewis
Non-Executive Director
(Appointed 01/08/2014)

Justin Lewis has more than 20 years' experience as a director and advisor, working with companies across a range of industries and jurisdictions. He is a director of Melbourne-based corporate advisory house Henslow Pty Ltd, and Armadale Capital Plc, a London-listed company focused on investing in African-based resources.

He has extensive experience working with small to mid-cap corporates in both Australia and the UK in the resources and energy sectors, specialising in equity raisings, M&A activity and general corporate advisory. As Executive Chairman of AIM and ASX listed Beacon Hill Resources Plc, he led the development and financing of an African-based coal mining group. Prior to moving to Australia, Mr Lewis was Chief Executive of London-listed investment banking group Blue Oar Plc.

Other current directorships
Armadale Capital Plc – appointed 4 June 2013

Former directorships in the last 3 years
Mine Restoration Investments Limited – appointed 5 September 2013, resigned 29 October 2014

Interest in shares and options

16,287,118	Ordinary shares in Manas Resources Limited

Stephen Ross
BSc(Geol), GDipAppFin (FINSIA), MAusIMM, FFin
Former Managing Director
(Appointed 03/03/2008, Resigned 07/07/2015)

Stephen Ross has operated in the minerals industry for more than 20 years in geological consulting, business development and corporate positions. Mr Ross has been involved in the Central Asian mineral industry for ten years, and has held senior management and technical positions whilst based in Kazakhstan and the Kyrgyz Republic. Mr Ross has also held senior management positions in the West African region for 20 years.

He is a member of the Australian Institute of Mining and Metallurgy and is a Fellow of the Financial Services Institute of Australia.

Mark Connelly
Non-Executive Director
(Appointed 01/01/2013, Resigned 10/06/2015)

Mark Connelly has been involved with the mining industry since the mid-1980s. In 2007, Mr Connelly was appointed as an executive director and chief operating officer of ASX-listed Adamus Resources Limited, a West African gold development company, and was instrumental in its transition to a gold producer. He was subsequently appointed as managing director and chief executive officer of Adamus. Following Adamus' merger with Canadian-listed Endeavour Mining Corporation, Mr Connelly was appointed chief operating officer of the merged entity. In November 2012, Mr Connelly was appointed as managing director and chief executive officer of ASX-listed Papillon Resources Limited which merged with Canadian TSX listed company B2 Gold Corp in October 2014.

COMPANY SECRETARY

Susmit Mohanlal Shah
BSc Econ, CA
Company Secretary
(Appointed 17/10/2007)

Susmit Shah is a chartered accountant with more than 25 years' experience. Over the past 20 years, Mr Shah has been involved with a diverse range of Australian listed public companies in company secretarial and financial roles. His experience includes negotiation and conduct of mining joint ventures, public flotations and mergers and acquisitions.

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the year ended 31 December 2015 are:

Director	Board Meetings		Audit Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Mark Calderwood	10	10	-	-
Colin Carson	10	10	2	2
Justin Lewis	10	10	1	1
Stephen Ross (resigned 07/07/2015)	6	6	-	-
Mark Connelly (resigned 10/06/2015)	6	5	1	1

The Remuneration and Audit Committees were appointed in July 2013. Mr Colin Carson is the Chairman of the Audit Committee and Mr Justin Lewis is the Chairman of the Remuneration Committee. No Remuneration Committee meetings were held during the year.

In addition, matters of Board business have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Company's activities throughout the period.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was acquiring, exploring and developing mineral interests, prospective for precious metals and other mineral deposits.

RESULTS AND DIVIDENDS

The consolidated profit after tax for the year ended 31 December 2015 was $7,633,209 (31 December 2014: Loss of $12,254,664). The profit for the year is solely as a result of a reversal ($9,647,839) of the write down in asset values that was recorded in the 31 December 2014 Financial Statements. This is a consequence of a change in the Board's position with respect to the Kyrgyz mineral assets since the issue of the 31 December 2014 Financial Statements. Further information is provided elsewhere in this report. No dividends were paid during the year and the Directors do not recommend payment of a dividend.

LOSS PER SHARE

Basic earnings/(loss) per share for the year ended 31 December 2015 was 1.16 cents (31 December 2014: Loss of 2.91 cents).

REVIEW OF OPERATIONS

A review of operations of the Consolidated Entity during the year ended 31 December 2015 is provided in the "Review of Operations" section immediately preceding this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year except for a change in the measurement, presentation and classification of the Group's key assets, being the mineral assets in the Kyrgyz Republic, the issue of shares to raise just over $3.7 million in equity capital and other than as noted in this financial report.

EVENTS SUBSEQUENT TO REPORTING DATE

In February and March 2016 the Company completed the issue of 821,153,973 fully paid ordinary shares at a price of $0.001 per share to raise gross proceeds of $821,154 for working capital purposes.

Other than as noted above and elsewhere in this report, since the end of the financial year and to the date of this report, no matter or circumstance has arisen which significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial year(s).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

As noted in the "Review of Operations", the Company's focus over the coming period will be to procure project finance for the development of the Shambesai Gold Project or sale offers for the Company's entire interest in the Shambesai Project or alternatively the involvement of a cornerstone investor / joint venture partner with access to project finance.

SHARE OPTIONS AND PERFORMANCE RIGHTS

Unissued ordinary shares of the Company under option or right at the date of this report are as follows:

Grant Date	Issue price of shares	Expiry date	Number under option	Number under performance right
27 May 2013	nil	31 December 2016		1,500,000
29 May 2014	nil	31 December 2017		1,000,000
15 February 2016	nil	31 December 2017		9,500,000

The following options lapsed during the year, and up to the date of this report:

Grant Date	Issue price of shares	Expiry date	Number
31 May 2012	$0.20	31 May 2015	1,600,000
20 December 2013	$0.08	31 March 2015	137,771,080

The following share options and performance rights of Manas Resources Limited were granted to Directors and the Key Management Personnel of the Company during or since the end of the financial year as part of their remuneration.

Directors and Officers	Number of performance rights granted
Philip Reese – Chief Operating Officer (granted in February 2016)	9,500,000

In July 2015, 3,550,000 performance rights previously issued to former Managing Director, Mr Stephen Ross, vested and were converted to ordinary shares as part of the termination of his employment.

REMUNERATION REPORT (Audited)

This report outlays the remuneration arrangements in place for the Key Management Personnel (as defined under section 300A of the Corporations Act 2001) of Manas Resources Limited.

The following were Key Management Personnel of the Company during or since the end of the financial period.

Non-Executive Directors	**Executive Directors**
Mr Mark Calderwood*	Mr Stephen Ross (resigned 07/07/2015)
Mr Colin Carson	
Mr Justin Lewis	
Mr Mark Connelly (resigned 10/06/2015)	

***** Mr Calderwood has acted in the capacity of Executive Chairman since Mr Ross's resignation in July 2015.

Other Senior Management
The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current position for the whole of the financial year and since the end of the financial year:

Philip Reese	Chief Operating Officer
Oleg Gaponenko	Director General of Kyrgyz Republic Subsidiaries
Susmit Shah	Company Secretary

There have been no other changes of Key Management Personnel after the reporting date and up to the date the financial report was authorised for issue.

Remuneration Philosophy

The Board reviews the remuneration packages applicable to the Executive Directors and Non-Executive Directors on an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

A Remuneration Committee of the Board was formed in July 2013. The Committee advises the Board on remuneration and incentive policies and practices and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other senior executives, and Non-Executive Directors. When appropriate the Committee will seek the advice of an independent expert however this was not required during the financial year. As a result of a reduction in the number of directors during the year, the Board as a whole is responsible for remuneration matters and no Remuneration Committee meetings were held during the year.

Remuneration Structure

In accordance with best practice corporate governance, the structure of remuneration for Non-Executive Directors and Executive Directors is separate and distinct.

(a) Compensation Arrangements

Non-Executive Directors' Remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

REMUNERATION REPORT - continued

Structure
The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by the shareholders in a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at a general meeting on 27 May 2013 when shareholders approved aggregate remuneration of $300,000 per year. No share options were issued to Directors during the year.

Although ASX Corporate Governance guidelines indicate that securities incentives should only be provided to Executive Directors, Manas, in common with a large majority of junior mineral explorers, takes the view that as a Company not earning any operating revenue it is appropriate to conserve cash and attract good quality Non-Executive Directors by offering securities-based compensation.

The Remuneration Committee reviews the remuneration packages applicable to the Non-Executive Directors on an annual basis. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

The remuneration of the Non-Executive Directors for the financial year ended 31 December 2015 is detailed in Table 1 of this report.

Executive Directors' Remuneration
Mr Stephen Ross' services are contracted to the Company effective 1 February 2008 through Roman Resource Management Pty Ltd (a company owned by Mr Ross). He was appointed as Managing Director on 3 March 2008. Starting from 1 July 2012 to the date of termination of his services in July 2015, Mr Ross was paid a base consulting fee of $330,000 per annum (ex GST). Other components of his remuneration package included all reasonable out of pocket expenses, including long distance telephone and travel expenses and performance rights incentive package.

With effect from 7 July 2015, Mr Calderwood (the Company's non-executive Chairman since 1 April 2014) has agreed to act in a part-time executive capacity. Mr Calderwood's remuneration arrangement is a daily fee of $1,200 (pro-rata for part days), subject to a cap of $8,333 per month inclusive of statutory superannuation for his role as a part-time executive Chairman. Mr Calderwood's services are provided and billed through his company, Amery Holdings Pty Ltd.

(b) Details of Remuneration
Details of the remuneration of the Directors and other Key Management Personnel of the Group are set out in the following table. The Key Management Personnel of the Group are the Directors of Manas Resources Limited as well as the Company Secretary, Chief Operating Officer and Director General of the Kyrgyz Republic subsidiaries. Details of employment contracts with the Chief Operating Officer and the Director General are as follows:

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Philip Reese Chief Operating Officer	Ongoing commencing 12 November 2010	$192,000	12 months' salary where the control of the Company changes and he is made redundant, or his position changes significantly.[1]
Oleg Gaponenko Director General	Ongoing commencing 16 March 2012	US$173,600	Nil

Mr Ross's and Mr Reese's services were provided to the Company through their consulting companies, Mr Ross through Roman Resource Management Pty Ltd and Mr Reese through Process Consulting Limited.

[1]Early in 2016 Mr Reese's employment was terminated with effect from 31 March 2016, so the termination benefit provision is of no further effect.

REMUNERATION REPORT - continued

Table 1 - Key Management Personnel Remuneration for the financial year ended 31 December 2015 and 31 December 2014

		Short-term employee benefits	Post Employment	Equity		Percentage of Remuneration as Options/ Rights
		Salary/Fees	**Superannuation/ Retirement Benefits**	**Value of Options / Rights**	**Total**	
		$	**$**	**$**	**$**	**%**
Directors:						
Mark Calderwood (Chairman) (executive since 07/07/2015)						
	2015	**47,952**	**-**	**-**	**47,952**	**-**
	2014	36,614	3,433		40,047	-
Stephen Ross (ceased 07/07/2015)						
	2015	**220,000**	**-**	**21,000**	**241,000**	**8.7**
	2014	330,000	-	8,614	338,614	2.5
Colin Carson						
	2015	**13,575**	**1,425**	**-**	**15,000**	**-**
	2014	36,614	3,433	-	40,047	-
Mark Connelly (ceased 10/06/2015)						
	2015	**-**	**-**	**-**	**-**	**-**
	2014	36,614	3,433	-	40,047	-
Justin Lewis						
	2015	**15,000**	**-**	**-**	**15,000**	**-**
	2014	16,667	-	-	16,667	-
Robert Scott (former Chairman)						
	2015	**-**	**-**	**-**	**-**	**-**
	2014	15,000	-	-	15,000	-
Total, all specified Directors						
	2015	**296,527**	**1,425**	**21,000**	**318,952**	
	2014	471,509	10,299	8,614	490,422	1.8
Other Key Management Personnel:						
Director General KR subsidiaries Oleg Gaponenko						
	2015	**232,388**	**39,204**	**-**	**271,592**	
	2014	210,947	35,587	-	246,534	-
Chief Operating Officer Philip Reese						
	2015	**192,000**	**-**	**-**	**192,000**	**-**
	2014	256,187	-	7,830	264,017	3.0
Company Secretary Susmit Shah (i)						
Total Key Management Personnel						
	2015	**720,915**	**40,629**	**21,000**	**782,544**	
	2014	938,643	45,886	16,444	1,000,973	1.7

(i) Company Secretarial services provided by Mr Shah are charged to the Company by Corporate Consultants Pty Ltd (CCPL), a company in which Mr Shah has a beneficial interest. Total fees of $243,848 (31 December 2014: $212,470) were paid or were payable to Corporate Consultants Pty Ltd, for provision of office space, administration, accounting and company secretarial services. Of this amount, $122,764 (31 December 2014: $88,684) related to Mr Shah's time for company secretarial services.

REMUNERATION REPORT - continued

(c) Share-Based Compensation
Non-Plan-Based Payment

Share Options
The Company makes share-based payments to Key Management Personnel from time to time, not under any specific plan. The options are issued for nil consideration and in accordance with the specific guidelines established by the Directors of Manas Resources Limited. The vesting period and maximum term of options granted vary according to the Board's discretion. No options were issued to key management personnel during the year.

Any share-based payments to Directors require the approval of shareholders at a general meeting.

Performance Rights
No performance rights were granted during the year (2014: 1,900,000 and 1,000,000 performance rights to Mr Ross and Mr Reese respectively).

Employee Share Option Plan ("EOP")

Shareholders originally approved the Manas Resources Limited EOP at the Annual General Meeting on 25 November 2008 and have provided subsequent approval for renewal of the EOP as required by the ASX Listing Rules. The EOP is designed to provide incentives, assist in the recruitment, reward and retention of employees or key consultants. The contractual life of each option granted is generally three years. There are no cash settlement alternatives. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or receive any guaranteed benefit.

Incentive Securities Granted As Part of Remuneration

Details of incentive securities (options and performance rights over ordinary shares) in the Company affecting remuneration in the previous, current or future reporting dates are as follows:

Share-Based Compensation

Other Key Management Personnel

Performance Rights	**Grant date**	**Date vested & exercisable**	**Fair-value per option/right at grant date ($)**	**Exercise price per option ($)**	**Expiry date**	**Number of options/ rights vested during the financial year ended 31 December 2015**
500,000 (P Reese)	27 May 2013	(i)	0.079	n/a	31 Dec 2016	-
500,000 (P Reese)	27 May 2013	(ii)	0.079	n/a	31 Dec 2016	-
500,000 (P Reese)	27 May 2013	(iii)	0.079	n/a	31 Dec 2016	-
500,000 (P Reese)	29 May 2014	(ii)	0.033	n/a	31 Dec 2017	-
500,000 (P Reese)	29 May 2014	(iii)	0.033	n/a	31 Dec 2017	-

(i) Vest if the Shambesai Gold Project development costs are financed and drawdown takes place on or before 31 March 2014 (which date has since been extended by the Board). If the drawdown occurs after this point or the project is sold the rights can be granted at the Boards discretion.
(ii) Vest if production is declared through a public release as having commenced within 12 months after first finance.
(iii) Vest if there is a full payback of the Shambesai Gold Project capital expenditure required to get to commencement of production, within 12 months of commencement of that commercial production.

REMUNERATION REPORT - continued

In July 2015, 3,550,000 performance rights previously issued to former Managing Director, Mr Stephen Ross, vested and were converted to ordinary shares as part of the termination of his employment. The fair value of 550,000 performance rights was expensed in prior periods and the fair value of the remaining 3m performance rights at the time of vesting in July 2015, being $21,000, has been expensed in the reporting period. On 31 May 2015, 250,000 options and 500,000 options (exercisable at $0.20 each) issued previously on 31 May 2012 to Mr Susmit Shah and Mr Oleg Gaponenko respectively expired without being exercised.

No options were exercised by Key Management Personnel during the financial year ended 31 December 2015 (31 December 2014: Nil).

Fair value of options granted

The fair values at grant date of options issued are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the options. The model inputs for options granted included:

(a)	Grant date	31 May 2012	1 January 2013
(b)	Exercise price	$0.20	$0.20
(c)	Expiry date	31 May 2015	31 May 2015
(d)	Share price at grant date	$0.10	$0.14
(e)	Expected price volatility of the Company's shares	150%	115%
(f)	Risk-free interest rate	2.33%	2.75%

Fair value of performance rights granted

The fair value of the performance rights granted is determined by reference to the underlying share price at the date of issue being $0.079 for the 2013 tranches and $0.033 for the 2014 tranches. The 2013 rights were granted with three sets of vesting conditions which were assessed to determine if they were more probable than not of occurring. If probable, the fair value of the rights is recognised in the Statement of Comprehensive Income. For the year ended 31 December 2013 it was determined the first tranche of the 2013 rights was probable and related to services performed by the executives during the year and an expense of $66,506 was recognised with a further $16,444 expense being recognised in 2014. Tranches two and three of the 2013 rights as well as the two tranches of the 2014 rights can only vest once the vesting condition of tranche one of the 2013 rights has successfully been satisfied, and therefore relate to a future service period.

Loans to Directors and Executives

During the financial year ended 31 December 2015, there were no loans provided to Directors and Executives (31 December 2014: Nil).

Shareholdings

The numbers of shares in the Company held during the financial year ended 31 December 2015 by Key Management Personnel, including shares held by entities they control, are set out below:

2015	**Opening Balance**	**Received as Remuneration**	**Options Exercised**	**Other Movements**	**Closing Balance**
Parent entity Directors					
Stephen Ross[1]	3,057,747	3,550,000	-	-	N/A
Mark Calderwood	1,192,287	-	-	17,099,752	18,292,039
Colin Carson	7,583,657	-	-	43,988,491	51,572,148
Mark Connelly[2]	-	-	-	-	N/A
Justin Lewis	400,000	-	-	1,533,334	1,933,334

REMUNERATION REPORT – continued

Shareholdings continued

2015	Opening Balance	Received as Remuneration	Options Exercised	Other Movements	Closing Balance
Other KMP					
Philip Reese	3,223,646	-	-	537,275	3,760,921
Oleg Gaponenko	-	-	-	-	-
Susmit Shah	225,000	-	-	-	225,000

2014	Opening Balance	Received as Remuneration	Options Exercised	Other Movements	Closing Balance
Parent entity Directors					
Stephen Ross	3,057,747	-	-	-	3,057,747
Mark Calderwood	1,192,287	-	-	-	1,192,287
Colin Carson	7,583,657	-	-	-	7,583,647
Mark Connelly	-	-	-	-	-
Justin Lewis[3]	n/a	-	-	400,000	400,000
Robert Scott[4]	2,629,789	-	-	-	n/a
Other KMP					
Philip Reese	3,223,646	-	-	-	3,223,646
Oleg Gaponenko	-	-	-	-	-
Susmit Shah	225,000	-	-	-	225,000

[1]Mr Ross resigned on 7 July 2015.
[2]Mr Connelly resigned 10 June 2015.
[3] Mr Lewis was appointed a director on 1 August 2014. He had an interest in 400,000 shares at the date of his appointment.
[4]Mr Scott resigned as a director on 31 March 2014.

Option holdings

The number of options over ordinary shares in the Company held during year ended 31 December 2015 by Key Management Personnel, including options over ordinary shares held by entities they control, are set out below:

2015	Opening Balance	Received as Remuneration	Options Exercised/ Expired	Other Movements	Closing Balance
Parent entity Directors					
Stephen Ross[1]	1,232,913	-	(1,232,913)	-	-
Mark Calderwood	618,953	-	(618,953)	-	-
Colin Carson	6,483,656	-	(6,483,656)	-	-
Mark Connelly[2]	-	-	-	-	-
Justin Lewis	-	-	-	-	-
Other KMP					
Philip Reese	1,853,035	-	(1,853,035)	-	-
Oleg Gaponenko	500,000	-	(500,000)	-	-
Susmit Shah	325,000	-	(325,000)	-	-

REMUNERATION REPORT - continued

2014	**Opening Balance**	**Received as Remuneration**	**Options Exercised/ Expired**	**Other Movements**	**Closing Balance**
Parent entity Directors					
Stephen Ross	4,232,913	-	(3,000,000)	-	1,232,913
Mark Calderwood	618,953	-	-	-	618,953
Colin Carson	6,483,656	-	-	-	6,483,656
Mark Connelly	100,000	-	(100,000)	-	-
Justin Lewis[3]	n/a	-	-	-	-
Robert Scott[4]	2,579,789	-	-	-	n/a
Executives					
Susmit Shah	325,000	-	-	-	325,000
Other KMP					
Philip Reese	4,353,035	-	(3,000,000)	500,000	1,853,035
Oleg Gaponenko	500,000	-	-	-	500,000

Performance Rights

The numbers of performance rights held during the year ended 31 December 2015 and 31 December 2014 by Key Management Personnel are set out below:

2015	**Opening Balance**	**Received as Remuneration**	**Rights vested**	**Other Movements**	**Closing Balance**
Parent entity Directors					
Stephen Ross	3,550,000	-	(3,550,000)	-	-
Other KMP					
Philip Reese	2,500,000	-	-	-	2,500,000
2014					
Parent entity Directors					
Stephen Ross	1,650,000	1,900,000	-	-	3,550,000
Other KMP					
Philip Reese	1,500,000	1,000,000	-	-	2,500,000

Other Transactions with Key Management Personnel

Other transactions with key management personnel or their related entities are disclosed in Note 20 to the financial report.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers of any entity within the Consolidated Entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. The Directors and officers of the Consolidated Entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium for the policy period September 2015 to September 2016 amounting to $6,536 (ex. GST) relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

ENVIRONMENTAL REGULATIONS

The Consolidated Entity's operations are not subject to any significant Australian environmental laws but its exploration and development activities in the Kyrgyz Republic are subject to environmental laws, regulations and permit conditions. There have been no known breaches of environmental laws or permit conditions while conducting operations in the Kyrgyz Republic.

NON-AUDIT SERVICES

There have been no non-audit services provided by the Company's auditor during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

The Company's auditor, HLB Mann Judd, has provided the Board of Directors with an independence declaration in accordance with section 307C of the Corporations Act 2001.

The independence declaration is provided on the following page and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.

Mark Calderwood
Chairman
Perth, 31 March 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Manas Resources Limited for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
31 March 2016

D I Buckley
Partner

	Notes	Consolidated 2015 $	2014 $
Gain on reversal of discontinued operation write-down	10	**9,647,839**	-
Profit on sale of listed securities		**9,945**	-
Other income	2	**44,325**	15,851
		9,702,109	15,851
Exploration expense written off	12	**(100,150)**	-
Foreign exchange gain / (loss)		**54,554**	(4,650)
Employee benefits expense		**(1,090,814)**	(610,803)
Share-based payments	15	**(21,000)**	(16,444)
Depreciation and amortisation expense	11	**(48,418)**	(38,473)
Occupancy expenses		**(173,484)**	(104,136)
Travel expenses		**(79,541)**	(154,331)
Corporate and administration expenses		**(487,061)**	(431,223)
Loss on disposal of assets	11	**(41,841)**	-
Other expenses	3	**(81,145)**	(149,558)
Profit/(Loss) before income tax		**7,633,209**	(1,493,767)
Income tax benefit	6	**-**	173,199
Profit/(Loss) for the year from continuing operations		**7,633,209**	(1,320,568)
Discontinued Operation			
Profit/(Loss) after tax from discontinued operation	10	**-**	(10,934,096)
Profit/(Loss) for the year		**7,633,209**	(12,254,664)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange loss arising on translation of foreign operations		**(3,286,524)**	(2,130,242)
Total comprehensive income/(loss) for the year, net of tax		**4,346,685**	(14,384,906)
Profit/(Loss) Per Share			
Basic earnings/(loss) per share (cents per share)	5	**1.16**	(2.91)
Diluted earnings/(loss) per share (cents per share)	5	**1.16**	(2.91)
Earnings Per Share from continuing operations			
Basic earnings / (loss) per share (cents per share)	5	**1.16**	(0.31)
Diluted earnings / (loss) per share (cents per share)	5	**1.16**	(0.31)

The above statement should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2015 $	2014 $
Current Assets			
Cash and cash equivalents	19	**231,260**	447,136
Inventories	8	**7,455**	-
Other receivables	9	**70,799**	105,020
Assets classified as held for sale	10	**-**	20,255,351
Total Current Assets		**309,514**	20,807,507
Non-Current Assets			
Property, plant and equipment	11	**229,322**	31,874
Exploration and evaluation expenditure	12	**28,200,092**	-
Total Non-Current Assets		**28,429,414**	31,874
Total Assets		**28,738,928**	20,839,381
Current Liabilities			
Trade and other payables	13	**490,837**	197,125
Liabilities associated with assets held for sale	10	**-**	255,350
Total Current Liabilities		**490,837**	452,475
Total Liabilities		**490,837**	452,475
Net Assets		**28,248,091**	20,386,906
Equity			
Issued capital	14	**50,255,220**	46,761,720
Reserves	15	**(2,422,610)**	842,914
Accumulated losses	16	**(19,584,519)**	(27,217,728)
Total Equity		**28,248,091**	20,386,906

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED	Issued Capital	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 January 2014	45,968,820	3,814,984	(858,272)	(14,963,064)	33,962,468
Loss attributable to members of the parent entity	-	-	-	(12,254,664)	(12,254,664)
Exchange differences arising on translation of foreign operations	-	-	(2,130,242)	-	(2,130,242)
Total comprehensive loss for the year	-	-	(2,130,242)	(12,254,664)	(14,384,906)
Shares issued	850,000	-	-	-	850,000
Share issue expenses	(57,100)	-	-	-	(57,100)
Recognition of share-based payments	-	16,444	-	-	16,444
Balance at 31 December 2014	**46,761,720**	**3,831,428**	**(2,988,514)**	**(27,217,728)**	**20,386,906**
Balance at 1 January 2015	46,761,720	3,831,428	(2,988,514)	(27,217,728)	20,386,906
Profit attributable to members of the parent entity	-	-	-	7,633,209	7,633,209
Exchange differences arising on translation of foreign operations	-	-	(3,286,524)	-	(3,286,524)
Total comprehensive income for the year	-	-	(3,286,524)	7,633,209	4,346,685
Shares issued	3,743,117	-	-	-	3,743,117
Share issue expenses	(249,617)	-	-	-	(249,617)
Recognition of share-based payments	-	21,000	-	-	21,000
Balance at 31 December 2015	**50,255,220**	**3,852,428**	**(6,275,038)**	**(19,584,519)**	**28,248,091**

The above statement should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2015 $	2014 $
Cash Flows from Operating Activities			
Interest received		**4,948**	15,851
Research and development tax incentive		**-**	173,199
Payments to suppliers and employees		**(1,787,514)**	(2,732,938)
Interest paid		**(5,441)**	-
Net Cash (outflow) from Operating Activities	19	**(1,788,007)**	(2,543,888)
Cash Flows from Investing Activities			
Payments for plant and equipment		**(1,827)**	-
Proceeds from sale of plant and equipment		**29,099**	18,959
Proceeds from sale of listed securities		**9,945**	-
Payments for exploration and evaluation expenditure		**(1,959,212)**	(3,443,176)
Net Cash (outflow) from Investing Activities		**(1,921,995)**	(3,424,217)
Cash Flows from Financing Activities			
Proceeds from share issues	14	**3,743,117**	850,000
Payment of share issue costs		**(249,617)**	(57,100)
Net Cash inflow from Financing Activities		**3,493,500**	792,900
Net (Decrease) in Cash and Cash Equivalents		**(216,502)**	(5,175,205)
Cash and cash equivalents at the beginning of the year		**447,136**	5,626,991
Net foreign exchange differences		**626**	(4,650)
Cash and Cash Equivalents at the end of the year		**231,260**	447,136

The above statement should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Consolidated Entity consisting of Manas Resources Limited and its subsidiaries. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and other requirements of the law and Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report has been prepared on a historical cost basis, except where otherwise stated.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated and domiciled in Australia that has operated during the year in Australia, and the Kyrgyz Republic. The Group's principal activities are evaluation and exploration of mineral interests, prospective for precious metals and other mineral deposits.

Accounting for Kyrgyz Assets
Between 31 December 2014 (being the date of the Group's last audited Financial Statements) and 30 April 2015, there has been a change in the measurement, presentation and classification of the Group's key assets, being the mineral assets in the Kyrgyz Republic. At 31 December 2014, the Kyrgyz assets (comprising principally mineral assets but also including plant and equipment, inventories and other receivables) were classified as "assets held for sale" under current assets as the Board had resolved, and had an active program in place, to dispose of those assets. The $20.25 million carrying value of this disposal group's assets ($20 million net of liabilities associated with the disposal group) was estimated by reference to the then negotiations being conducted with third parties for an outright sale of the Kyrgyz assets and the Board's judgement as to the probable value that could be realised by the Group.

The Board's position with respect to the Kyrgyz mineral assets has changed since the issue of the 31 December 2014 audited Financial Statements. In light of sale and other negotiations, the Board has adopted a dual strategy of negotiating an outright or partial disposal of the Kyrgyz mineral assets or procuring project finance for the development of the Shambesai Gold Project, whichever can be completed on a timely basis with the best possible outcome for shareholders. As a result of these developments including the change in strategy, the sale of the Kyrgyz mineral assets could no longer be deemed highly probable as defined by AASB 5 Non-current Assets Held For Sale and Discontinued Operations.

Consequently and, in accordance with Australian Accounting Standards, the treatment of the Kyrgyz assets disposal group has changed in these consolidated financial statements. The Kyrgyz assets are now classified as such assets would normally be classified in the financial statements of an exploration entity; for example mineral assets as "Exploration and evaluation expenditure", and plant and equipment as "Property, plant and equipment" under Non-Current Assets. The assets and liabilities of the disposal group are now measured at their carrying amounts before the disposal group was classified as held for sale, adjusted for any transactions had the disposal group not been classified as held for sale.

Further, the carrying value of these assets and, in particular, the Exploration and evaluation expenditure and Property, plant and equipment as at 31 December 2015 represents the historical expenditure on these asset classes excluding the estimated asset write downs that were recorded in the 31 December 2014 Financial Statements. As a consequence, the write down in asset values that was recorded in the 31 December 2014 Financial Statements has been reversed in the statement of comprehensive income for the year ended 31 December 2015.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Going Concern
The financial report had been prepared on the going concern basis, which contemplates the continuity of normal business activity and the commercial realisation of the Group's assets and the settlement of liabilities in the normal course of business.

The Group has recorded a profit for the year after tax of $7,633,209, inclusive of a one-off gain on reversal of a discontinued operation write-down of $9,647,839 (2014: Loss $12,254,664) and experienced net operating and investing cash outflows of $3,710,002 (2014: $5,968,105). As at 31 December 2015, the Group has net current liabilities of $181,323 which includes $231,260 in cash and cash equivalents.

However, subsequent to the year-end and to the date of this Report, the Company has raised $821,154 through the issue of shares under a private placement as well as a fully underwritten non-renounceable entitlement issue. This demonstrates that the Company has the capacity to raise new equity capital from a variety of sources and consequently the Directors believe that it is appropriate to prepare the financial statements on a going concern basis. Furthermore, as noted on the previous page under "Accounting for Kyrgyz Assets" (as well as in the "Review of Operations" forming part of the Directors' Report), the Directors have adopted a dual strategy of negotiating an outright or partial disposal of the Kyrgyz mineral assets or procuring project finance for the development of the Shambesai Gold Project. Active discussions continue with a number of parties in this regard.

The Group also has the capacity to further reduce discretionary expenditure in line with available funding.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances. If, however, the Group did not obtain funding through the available avenues mentioned above there would be a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and settle its liabilities in the normal course of business.

Adoption of new and revised standards

Standards and Interpretations adopted with no effect on the financial statements
It has been determined by the Directors that there is no impact, material or otherwise, of any new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Standards and Interpretations on issue not yet adopted
The Directors have also reviewed all Standards and Interpretations that have been issued but are not yet effective for the period ended 31 December 2015. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

Statement of compliance with IFRS

The financial report was authorised for issue on 31 March 2016. It complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Parent entity financial information

The financial information for the parent entity, Manas Resources Limited, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) *Investments in subsidiaries, associates and joint venture entities*
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Manas Resources Limited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Manas Resources Limited ("Company" or "parent entity") as at 31 December 2015 and the results of all subsidiaries for the twelve months then ended. Manas Resources Limited and its subsidiaries together are referred to in this financial report as the "Group" or the "Consolidated Entity".

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Manas Resources Limited.

(ii) Changes in ownership interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Manas Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Significant accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment expense

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black-Scholes model, using the assumptions detailed in Note 17.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Foreign currency transactions and balances

The functional and presentation currency of Manas Resources Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the consolidated financial report are taken to the statement of comprehensive income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of a net investment, at which time they are recognised in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

The functional currencies of the overseas subsidiaries are as follows:

Z-Explorer CJSC, LandMark CJSC, Savoyardy CJSC	Kyrgyz Soms

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

As at the reporting date, the assets and liabilities of the overseas subsidiaries are translated into the reporting currency of the Company at the rate of exchange ruling at the balance date and the statement of comprehensive income are translated at the weighted average exchange rates for the period. The exchange differences on translation are taken directly to a separate component of equity, where they are recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the statement of comprehensive income.

Taxes

Income tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

At the reporting date, the Directors have not made a decision to elect to be taxed as a single entity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST or GST equivalent incurred is not recoverable from the Australian Tax Office or overseas tax authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

During the year, the Consolidated Entity has held loans and receivables and financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Property, plant and equipment

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy (impairment testing)).

Plant and equipment

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period is three years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

Mineral interest acquisition, exploration and evaluation expenditure

Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and either the costs are expected to be recouped through the successful development and commercial exploitation of the area of interest or where exploration activities in the area of interest have not

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment, accounting policy).

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal Groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary, after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The

Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal Groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell.

Impairment

The carrying amount of the Group's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset(s) does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the (undiscounted) amounts expected to be paid when the liabilities are settled.

Contributions are made by the Consolidated Entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Share-based payments

Equity-settled transactions

The Group provides benefits to employees, consultants and contractors of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently an Employee Option Plan in place to provide these benefits to employees, consultants and contractors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, further details of which are given in Note 17.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and

(ii) the Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Share-based payment transactions with parties other than employees and contractors are measured by reference to the fair value of the goods or services rendered at the date on which the Consolidated Entity obtains the goods or the counterparty renders services.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Manas Resources Limited.

2. REVENUE

	Consolidated	
	2015	2014
	$	$
Other income includes the following:		
Interest income	**4,948**	15,851
Other income	**39,377**	-
	44,325	15,851

3. EXPENSES

Loss includes the following specific expenses:	**2015**	2014
	$	$
Other expenses include:		
Due diligence payments	**60,000**	-
Finance advisory costs	**-**	149,558

4. AUDITOR'S REMUNERATION

Audit services:		
- Auditors of the Company – HLB Mann Judd	**37,100**	44,000
- Non-HLB Mann Judd firm (Marka Audit Bishkek Ltd)	**8,550**	10,296
	45,650	54,296

5. EARNINGS / (LOSS) PER SHARE

	2015	2014
Basic earnings/(loss) per share (cents per share)	**1.16**	(2.91)
Profit / (loss) for the year ($)	**7,633,209**	(12,254,664)
Basic earnings/(loss) per share from continuing operations	**1.16**	(0.31)
Profit / (loss) from continuing operations	**7,633,209**	(1,320,568)
Weighted average number of ordinary shares used in the calculation of basic loss per share	**659,000,487**	421,308,674

6. INCOME TAX EXPENSE

(a) Income tax benefit

	Consolidated	
The major components of tax benefit are:	**2015 $**	2014 $
The prima facie income tax benefit on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit / (loss) before tax from continuing operations	**7,633,209**	(1,493,767)
Income tax (benefit) calculated at 30%	**2,289,963**	(448,130)
Non-deductible expenses	**63,343**	391,207
Other deferred tax assets and tax liabilities not recognised	**(2,353,306)**	56,923
Research and development tax offset	**-**	(173,199)
Income tax benefit reported in the statement of comprehensive income	**-**	(173,199)

(b) Unrecognised deferred tax balances

The following deferred tax assets and liabilities have not been bought to account:

Deferred tax assets comprise:		
Losses available for offset against future taxable income – revenue	**3,571,203**	1,826,021
Losses available for offset against future taxable income – capital	**676,795**	669,041
Other deferred tax assets / (liabilities)	**(1,152,894)**	271,167
	3,095,104	2,766,229

(c) Income tax expense not recognised directly in equity

	2015 $	2014 $
Share issue costs	**(74,885)**	(17,130)
Foreign currency gains and losses transferred to equity as part of the net investment in controlled entities	**1,461,346**	1,117,988
	1,386,461	1,100,858

7. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board considers the business from both a product and a geographic perspective and has identified one reportable segment.

(a) Description of segments

During the financial year the Company considers that it has only operated in one segment, being the continued exploration and evaluation of mineral interests in the Kyrgyz Republic.

7. SEGMENT INFORMATION continued

(b) Segment information provided to the Board

The segment information provided to the Board for the reportable segments:

2015

	Kyrgyz Republic	Corporate and Unallocated	Consolidated
	$	$	$
Results			
Segment result	8,506,422	(873,213)	7,633,209
Interest income	-	4,948	4,948
Other income	39,377	9,945	49,322
Employee benefits expense	(801,485)	(289,329)	(1,090,814)
Share-based payments	-	(21,000)	(21,000)
Depreciation	(27,566)	(20,852)	(48,418)
Occupancy	(82,620)	(90,864)	(173,484)
Corporate and administrative	(147,623)	(500,122)	(647,745)
Impairment of exploration asset	(100,150)	-	(100,150)
Loss on disposal of assets	(41,841)	-	(41,841)
Fair value adjustment	9,647,839	-	9,647,839
Exploration and evaluation expenditure	28,200,092	-	28,200,092
Other Segment Assets	375,099	163,737	538,836
Total Assets	28,575,191	163,737	28,738,928
Group Liabilities			
Trade and other payables	280,772	210,065	490,837
	280,772	210,065	490,837
Capital Purchases			
Exploration and Evaluation Expenditure	2,212,603	-	2,212,603
Plant and Equipment Expenditure	1,827	-	1,827
	2,214,430	-	2,214,430

7. SEGMENT INFORMATION – continued

2014

	Discontinued Operations – Kyrgyz Republic	Corporate and Unallocated	Consolidated
	$	$	$
Results			
Segment result	(10,934,096)	(1,320,568)	(12,254,664)
Interest income	71	15,851	15,921
Other income	27,859	-	27,859
Employee benefits expense	(898,607)	(610,803)	(1,509,410)
Share-based payments	-	(16,444)	(16,444)
Income tax benefit	-	173,199	173,199
Depreciation	(33,532)	(38,473)	(72,005)
Occupancy	(61,657)	(104,136)	(165,793)
Corporate and administrative	(267,084)	(431,223)	(698,307)
Impairment of exploration asset	(66,131)	-	(66,131)
Fair value adjustment	(9,647,839)	-	(9,647,839)
Group Assets			
Assets of disposal group classified as held for sale assets	20,255,351	-	20,255,351
Other Segment Assets	-	584,030	584,030
Total Assets	20,255,351	584,030	20,839,381
Group Liabilities			
Liabilities of disposal group associated with held for sale assets	(255,350)	-	(255,350)
Other Liabilities	-	(197,125)	(197,125)
	(255,350)	(197,125)	(452,475)
Capital Purchases			
Exploration and Evaluation Expenditure	3,045,597	-	3,045,597
Plant and Equipment Expenditure	1,608	-	1,608
	3,047,205	-	3,047,205

8. INVENTORIES

	Consolidated	
	2015	2014
	$	$
Consumables at cost	**7,455**	-

9. OTHER RECEIVABLES

	Consolidated	
	2015	2014
	$	$
Current		
GST receivable	**12,950**	18,703
Other receivables	**14,302**	-
Prepayments and advances	**43,547**	34,314
Security deposit	**-**	52,003
	70,799	105,020

10. ASSETS AND LIABILITIES HELD FOR SALE

Discontinued operation
During the course of the previous reporting period, particularly towards the end of the period, the Company received several non-binding purchase offers for its Kyrgyz mineral assets whilst attempting to secure project finance for the development of the Shambesai Gold Project. In light of the difficulty in obtaining project finance, the Company initiated an active program to locate a buyer and complete the sale of the Kyrgyz mineral assets. At the time of preparation of the 2014 Financial Statements the Company's focus was to recover the value of its overseas assets through sale.

Net assets
The carrying amount of assets and liabilities as at 31 December 2014:

	Consolidated
	2014
	$
Property, plant and equipment	384,680
Exploration and evaluation expenditure	29,318,671
Inventory	10,915
Other receivables	188,924
Total assets	29,903,190
Fair value adjustment to assets	(9,647,839)
Total assets held for sale	20,255,351
Trade creditors	(255,350)
Net assets	20,000,001

10. ASSETS AND LIABILITIES HELD FOR SALE - continued

Financial performance and cashflow information
The financial performance information is presented for the 12 months ended 31 December 2014

Financial performance from discontinued operations

	Consolidated 2014 $
Revenue	27,929
Expenses	(1,314,186)
Gross loss	(1,286,257)
Loss recognised on the re-measurement to fair value (i)	(9,647,839)
Loss before tax from discontinued operations	(10,934,096)
Tax benefit	-
Loss for the year from discontinued operations	(10,934,096)
Loss attributable to owners of the parent entity relates to:	
Loss from continuing operations	(1,320,568)
Loss from discontinuing operations	(10,934,096)
	(12,254,664)

Cashflows from discontinued operations:

Net cash flows from:	
- operating activities	(1,192,461)
- investing activities	(3,424,217)
- financing activities (borrowings from parent entity)	4,067,764
Net decrease in cash and cash equivalents	(548,914)

(i) In the current year, the Board changed its position with respect to the Kyrgyz mineral assets as detailed in Note 1. As a result, the loss of $9,647,839 recognised on the re-measurement to fair value in the previous year has been reversed in the current year.

11. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment	Consolidated	
	2015	2014
	$	$
At cost	**718,871**	145,924
Less accumulated depreciation	**(489,549)**	(114,050)
	229,322	31,874

Reconciliation	Consolidated	
	2015	2014
	$	$
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period		
Balance at the beginning of the year	**31,874**	637,663
Disposals	**(36,389)**	(16,283)
Additions	**1,827**	1,608
Transfer to/from assets held for sale (refer Note 10)	**384,680**	(384,680)
Depreciation expense	**(48,418)**	(72,005)
Depreciation capitalised	**(57,753)**	(73,439)
Translation differences movement	**(46,499)**	(60,990)
Carrying amount at the end of the year	**229,322**	31,874

12. EXPLORATION AND EVALUATION EXPENDITURE

	2015	2014
	$	$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of the year	**-**	28,393,129
Expenditure incurred during the year	**2,212,603**	3,045,597
Impairment of tenements	**(100,150)**	(66,131)
Translation differences movement	**(3,231,032)**	(2,053,924)
Transfer from/(to) assets held for sale (refer Note 10)	**29,318,671**	(29,318,671)
	28,200,092	-

The recoupment of costs carried forward in relation to "areas of interest" in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

13. TRADE AND OTHER PAYABLES

Current	**2015**	2014
	$	$
Trade payables	**257,031**	92,078
Other accrued payables	**233,806**	105,047
	490,837	197,125

There are no amounts included within these balances that are not expected to be settled within the next 12 months. The average credit terms for services received by the Group are 30 days from invoice date and are non-interest bearing.

14. ISSUED CAPITAL

	Consolidated 2015 Number	Consolidated 2014 Number	Consolidated 2015 $	Consolidated 2014 $
(a) Issued and paid-up share capital				
Ordinary shares, fully paid	**895,804,335**	441,646,573	**50,255,220**	46,761,720
(b) Movements in ordinary shares				
Balance at beginning of the year	**441,646,573**	413,313,240	**46,761,720**	45,968,820
Shares issued under private placement at $0.015	**73,607,762**	-	**1,104,117**	-
Shares issued on vesting of performance shares	**3,550,000**		**-**	
Shares issued under private placement at $0.007	**77,000,000**		**539,000**	
Shares at $0.007 rights issue and shortfall placed	**300,000,000**	-	**2,100,000**	-
Shares at $0.03 under private placement	**-**	28,333,333	**-**	850,000
Share issue costs	**-**	-	**(249,617)**	(57,100)
Balance at end of the year	**895,804,335**	441,646,573	**50,255,220**	46,761,720

(c) Movements in options and performance rights

	Grant date	Exercise price	Expiry date	Opening balance	New issues	Exercised/ Vested/ cancelled/ lapsed	Balance at end of year	Vested/ exercisable at end of year
		$		***Number***	***Number***	***Number***	***Number***	***Number***
2015								
Unlisted options	31 May 12	$0.20	31 May 15	1,600,000	-	(1,600,000)	-	-
Unlisted Rights	27 May 13	n/a	31 Dec 16	3,150,000	-	(1,650,000)	1,500,000*	-
Unlisted Rights	29 May 14	n/a	31 Dec 17	2,900,000	-	(1,900,000)	1,000,000*	-
Listed Options	23 Dec 13	$0.08	31 Mar 15	137,771,080	-	(137,771,080)	-	-
				145,421,080	-	(142,921,080)	2,500,000	-

14. ISSUED CAPITAL – continued

	Grant date	Exercise price	Expiry date	Opening balance	New issues	Vested/ exercised/ cancelled/ lapsed	Balance at end of year	Vested/ exercisable at end of year
		$		*Number*	*Number*	*Number*	*Number*	*Number*
2014								
Unlisted options	4 Aug 11	$0.25	3 Aug 14	200,000	-	(200,000)	-	-
Unlisted options	4 Aug 11	$0.30	3 Aug 14	200,000	-	(200,000)	-	-
Unlisted options	31 May 12	$0.20	31 May 15	1,850,000	-	(250,000)	1,600,000	1,600,000
Unlisted options	31 May 12	$0.20	31 Dec 14	6,300,000	-	(6,300,000)	-	-
Unlisted options	20 June 13	$0.20	19 Jun 16	1,000,000	-	(1,000,000)	-	-
Unlisted Rights	27 May 13	n/a	31 Dec 16	3,150,000	-	-	3,150,000*	-
Unlisted Rights	29 May 14	n/a	31 Dec 17	-	2,900,000	-	2,900,000*	-
Listed Options	23 Dec 13	$0.08	31 Mar 15	137,771,080	-	-	137,771,080	137,771,080
				150,471,080	2,900,000	(7,950,000)	145,421,080	139,371,080

* Performance rights vesting conditions:
The 31 December 2016 expiry performance rights are categorised into three equal tranches with different vesting conditions: 1st tranche rights vest if the Shambesai Gold Project (SGP) development costs are financed and drawdown takes place on or before 31 March 2014 (which date has since been extended at the Board's discretion), 2nd tranche rights vest if commercial gold production is declared (through a public release) by the Company as having commenced within 12 months after commencement of development at the SGP and 3rd tranche rights vest if there is full payback of the SGP capital expenditure required to get to commencement of commercial production within 12 months after commencement of that commercial production.
The 31 December 2017 expiry performance rights are categorised into two equal tranches with different vesting conditions, which are identical to the vesting conditions noted above for the 2nd and 3rd tranches of the 31 December 2016 expiry performance rights.

15. RESERVES

	Consolidated	
	2015	2014
	$	$
Share-based payment reserve (a)	**3,852,428**	3,831,428
Foreign currency translation reserve (b)	**(6,275,038)**	(2,988,514)
	(2,422,610)	842,914

(a) Share-based payment reserve

Opening balance	**3,831,428**	3,814,984
Performance Rights issued to Director/former directors (i)	**21,000**	8,614
Performance Rights issued to employees	**-**	7,830
Closing balance 31 December	**3,852,428**	3,831,428

The share-based payment reserve is used to record the value of share-based payments provided by the issue of options over ordinary shares and performance rights.

Upon termination of employment of a former director in July 2015, the Board, at its discretion, vested 3.55m performance rights held by that director although the original vesting conditions had not been satisfied and issued 3.55m shares. An expense had been recorded in prior years in relation to the fair value of 0.55m performance rights. Consequently, in 2015, an expense has been recorded for the discretionary vesting of 3m performance rights based on the then market value of the underlying shares of $0.007 per share.

(b) Foreign currency translation reserve

Opening balance	**(2,988,514)**	(858,272)
Currency translation differences arising during the year	**(3,286,524)**	(2,130,242)
Closing balance 31 December	**(6,275,038)**	(2,988,514)

The foreign currency translation reserve is used to record exchange differences from the translation of the financial statements of foreign operations.

16. ACCUMULATED LOSSES

	Consolidated	
	2015	2014
	$	$
Accumulated losses at the beginning of the year	**(27,217,728)**	(14,963,064)
Profit/(loss) from continuing operations	**7,633,209**	(1,320,568)
Loss from discontinued operations	**-**	(10,934,096)
Accumulated losses at the end of the year	**(19,584,519)**	(27,217,728)

17. SHARE-BASED PAYMENTS

Employee Share Option Plan

In November 2008, the Company adopted the Manas Resources Limited Employee Option Plan ("Plan"). The Plan is designed to provide incentives, assist in the recruitment, reward and retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The contractual life of each option granted is three years. There are no cash settlement alternatives. The Plan does not allow for the issue of options to Directors of the Company.

Non-plan-based payments

The Company also makes share-based payments to Directors, consultants and/or service providers from time to time, not under any specific plan.

The expense recognised in the statement of comprehensive income in relation to share-based payments is $21,000 (31 December 2014: $16,444), relating to performance rights.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year under and outside the Plan:

	2015 Number of Options	**2015 Weighted average exercise price**	2014 Number of options	2014 Weighted average exercise price
Outstanding at the beginning of the year	**1,600,000**	**$0.20**	9,550,000	$0.20
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**(1,600,000)**	**$0.20**	(7,950,000)	$0.20
Outstanding at the end of the year	**-**		1,600,000	$0.20
Exercisable at the end of the year	**-**		1,600,000	

There were no options granted during the current or prior financial years, and there and no options outstanding as at 31 December 2015.

As of 31 December 2015 all options had lapsed, been cancelled or previously fully expensed therefore there was no share based payments expense relating to options for the year.

During the year, there were no performance rights granted to Key Management Personnel (2014: 2,900,000). The fair value of the performance rights granted was determined to be the Company's closing share price at grant date and whether the conditions attached were probable of being satisfied. The weighted average remaining contractual life of the performance rights outstanding at balance date is 1.4 years.

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The activities of the Company expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group employs different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

(a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Kyrgyz Republic Som.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. At 31 December 2015 the Group held A$216,742 in US dollar bank balances. At 31 December 2015, had the Australian dollar strengthened/weakened by 10% against the US dollar with all other variables held constant, the profit/(loss) for the year would have been $24,082 higher (December 2014: $40,800) / $19,704 lower (31 December 2014: $33,383).

In the future, to the extent the Australian dollar strengthens or weakens against the Kyrgyz Som, profit or loss will be higher or lower as a result of the change in value of the net income or loss earned by entities in the Group with the Som as their functional currency. In addition, equity will be higher or lower should the Australian dollar weaken or strengthen against the Som arising mainly as a result of the change in value of the net equity of entities in the Group with the Som as their functional currency.

The Company has not entered into any general or specific contracts to hedge against gains and losses that may arise from exchange rate fluctuations.

(ii) Interest rate risk

The Company may be exposed to interest rate risk through financial assets and liabilities. The risk is measured using sensitivity analysis and cash flow forecasting.

At 31 December 2015, if interest rates had increased/decreased by 100 basis points from the weighted average effective rate for the year, with other variables constant, the profit/(loss) for the year would have been $5,525 lower (December 2014: $16,478)/ $5,525 higher (December 2014: $16,478).

None of the financial assets and financial liabilities are readily traded on organised markets in standardised form. The carrying amounts of financial assets and financial liabilities are materially in line with their fair values.

The following table summarises interest rate risk for the Group, together with effective interest rates as at balance date.

2015	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Over 1 year	Non-interest bearing	Total
		$	$	$	$	$
Financial Assets						
Cash and cash equivalents	0.90%	106,708	-	-	124,552	231,260
Other receivables		-	-	-	70,799	70,799
Total Financial Assets		106,708	-	-	195,351	302,059
Financial Liabilities		-	-	-	-	-
Trade and other payables		-	-	-	490,837	490,837
Total Financial Liabilities		-	-	-	490,837	490,837

2014	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Over 1 year	Non-interest Bearing	Total
		$	$	$	$	$
Financial Assets						
Cash and cash equivalents	2.66%	50,279	-	-	396,857	447,136
Other receivables		-	-	-	105,020	105,020
Total Financial Assets		50,279	-	-	501,877	552,156
Financial Liabilities		-	-	-	-	-
Trade and other payables		-	-	-	452,475	452,475
Total Financial Liabilities		-	-	-	452,475	452,475

(iii) Commodity price risk

As Manas is exploring primarily for gold, it will be exposed to the risks of fluctuation in gold prices. The risk is measured using sensitivity analysis and cash flow forecasting. Gold is primarily priced in US dollars in an active worldwide market in which prices respond to daily changes in quantities offered and sought. Newly mined gold is only one source of supply; investment and disinvestment can be important elements of supply and demand. Prices fluctuate widely in response to changing levels of supply and demand but, in the long run, prices are related to the marginal cost of supply.

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – continued

(b) Credit risk exposures

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and financial instruments.

As the Group is exclusively involved in exploration rather than trading there is currently very little credit risk. For banks and financial institutions, only reputable institutions with sound financial positions are dealt with.

(c) Liquidity and capital risk

The Group's total capital is defined as the shareholders' net equity plus any net debt. The objective when managing the Company's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements. Whilst the Group is in an exploration phase, it is unlikely to operate with debt capital, although this may change as projects become more advanced.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The risk is measured using sensitivity analysis and cash flow forecasting. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring its forecasted and actual cash flows.

If the Company anticipates a need to raise additional capital in the next 12 months to meet forecast operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(d) Fair value estimation

The Directors consider that the carrying amount of financial assets and financial liabilities, as recorded in the financial statements, represent or approximate their respective fair values. The Group's financial assets and liabilities are measured at amortised cost. Therefore, the disclosures required by *AASB13: Fair Value Measurement,* of the fair value measurement hierarchy have not been made.

19. CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	$	$
Cash at bank and on hand (a)	**231,260**	447,136
Deposits at call (b)	**-**	-
	231,260	447,136

(a) Cash at bank earns interest at floating rates based on daily bank deposit notes.

(b) Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(c) Statement of Cash Flows

Reconciliation of the loss after income tax from ordinary activities to the net cash used in operating activities

Profit/(loss) from ordinary activities after income tax	**7,633,209**	(12,254,664)
Add back non-cash items:		
Depreciation	**48,418**	72,005
Share-based payment expense	**21,000**	16,444
Foreign exchange (gain)/loss	**3,614**	4,650
(Gain)/loss on disposal of asset	**41,841**	(30)
Change in fair value of held for sale asset	**(9,647,839)**	9,647,839
Impairment expense	**100,150**	66,131
Net cash (outflow) from operating activities before change in assets and liabilities	**(1,799,607)**	(2,447,625)
Change in assets and liabilities:		
(Increase) / decrease in operating receivables	**(26,764)**	30,836
Increase / (decrease) in operating payables	**38,364**	(127,099)
Net cash (outflow) from operating activities	**(1,788,007)**	(2,543,888)

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were Key Management Personnel of the Group at any time during the reporting period and unless otherwise indicated were Key Management Personnel for the entire year:

Non-Executive Directors
Mr Mark Calderwood*
Mr Colin Carson
Mr Mark Connelly (resigned 10 June 2015)
Mr Justin Lewis

Other Key Management Personnel
Mr Susmit Shah – Company Secretary
Mr Philip Reese – Chief Operating Officer
Mr Oleg Gaponenko – Director General (Subsidiaries)

*Mr Calderwood was appointed Executive Chairman on 7 July 2015.

Executive Directors
Mr Stephen Ross – Managing Director (resigned 7 July 2015)

The Key Management Personnel compensation included in 'employee benefits expense' is as follows:

	Consolidated	
	2015	2014
	$	$
Short-term employee benefits	**720,915**	938,643
Post-employment benefits	**40,629**	45,886
Share-based payments	**21,000**	16,444
	782,544	1,000,973

Individual Directors and executives compensation disclosures

Information regarding individual Directors and executives compensation and some equity instruments disclosures as permitted by Schedule 5B to the Corporations Regulations 2001 is provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Loans to Key Management Personnel and their related parties

There were no loans outstanding at the reporting date to Key Management Personnel and their related parties.

Other transactions with Key Management Personnel

A number of key management persons, or their related parties, held positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

- Henslow Pty Ltd, an entity related to Mr Justin Lewis was engaged to provide corporate advisory services (inclusive of time spent by other Henslow personnel in addition to Mr Lewis's time) for the period from 1 September 2015 to 31 December 2015 at a rate of $10,000 per month. Aggregate fees of $30,000 were paid for these services and an amount of $10,000 remains outstanding at Balance Date. Under the mandate terms, Henslow is entitled to fees on funds provided to the Company or committed to the Company before 31 August 2016 from investors exclusively introduced by Henslow during the term of the mandate (1.5% fee and 4.5% fee on debt capital and equity capital respectively).

- Total fees of Nil (2014: $56,100) were paid to Halcyon Corporate Pty Ltd, a company related to Mr Justin Lewis, for capital raising services in connection with a private placement of shares to raise $850,000 in September 2014.

- The company secretarial services are provided by Mr Susmit Shah and charged to the Company by Corporate Consultants Pty Ltd (CCPL), a company in which Mr Shah has a beneficial interest. Total fees of $243,848 (December 2014: $212,470) were paid or were payable to CCPL for provision of office space, administration, accounting and company secretarial services. There was an amount of $62,384 payable at the reporting date.

- Chief Operating Officer Mr Philip Reese is a Director and controller of Process Consulting Limited, which provides various services to the Manas Group. Process Consulting provided services in relation to the feasibility studies at the Shambesai Gold Project. These involve personnel whose time was charged to Manas at cost plus 10% administration fee. Total fees of $32,100 (December 2014: $76,450) were paid or payable to Process Consulting. These fees do not include services provided by Mr Reese personally. Remuneration for his personal services is disclosed in section b) of the Remuneration Report.

21. SUBSIDIARIES

(a) Particulars in relation to subsidiaries

Name of Subsidiary	Place of Incorporation	Group's Interest 31 December 2015	Group's Interest 31 December 2014	Class of Shares
Parent Entity		%	%	
Manas Resources Limited	Australia	-	-	-
Subsidiary				
Manas Holdings (Kyrgyz) Pty Ltd	Australia	100	100	Ord
Z-Explorer CJSC (i)	Kyrgyz Republic	100	100	Ord
LandMark CJSC (i)	Kyrgyz Republic	100	100	Ord
Savoyardy CJSC (i)	Kyrgyz Republic	100	100	Ord

(i) All subsidiaries are subsidiaries of Manas Holdings (Kyrgyz) Pty Ltd.

(b) Terms and conditions of loans to related parties

Loan advances have been made to subsidiaries noted in the table above. The loans are interest free, unsecured and repayable only when the borrower's cash flow permits. The recoverability of these loans is dependent upon the successful development and exploitation of the areas of interest currently being explored by the parent's subsidiary entities.

(c) Risk exposure

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in Note 18.

22. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 20.

(b) Other Related Party Transactions

No other related party transactions other than those outlined in Note 20.

(c) Subsidiaries
Wholly-Owned Group

The parent entity will incur exploration expenditure on behalf of the subsidiaries. Investments in wholly-owned controlled entities are disclosed in Note 21.

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

(d) Parent entity

Manas Resources Limited is the ultimate parent entity.

23. PARENT ENTITY DISCLOSURES

	2015 **$**	2014 $
Financial Position		
Assets		
Current assets	**153,454**	409,566
Non-current assets (i)	**27,804,857**	20,031,875
Total assets	**27,958,311**	20,441,441
Liabilities		
Current liabilities	**210,065**	197,125
Total liabilities	**210,065**	197,125
Equity		
Issued capital	**50,255,220**	46,770,231
Accumulated losses	**(26,359,401)**	(30,357,342)
Reserves		
Share-based payments	**3,852,427**	3,831,427
Total equity	**27,748,246**	20,244,316
Financial performance		
Profit/(loss) for the year	**3,997,941**	(19,361,084)
Total comprehensive profit / (loss) for the year	**3,997,941**	(19,361,084)

(i) The recoupment of the parent entity's investments and loans to its subsidiaries is dependent upon the successful development and commercial exploitation or sale of the underlying exploration assets.

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2014 or 31 December 2015.

Commitments for expenditure

	2015	2014
	$	$
Operating Lease Commitments		
Within one year	**-**	45,073
Later than one year but not later than five years	**-**	-
	-	45,073

The lease commitments relate to the three year lease that was entered into for the head office premises in Perth, Western Australia. On a consolidated basis there were no further commitments other than those listed in Note 4.

24. COMMITMENTS

(a) Exploration expenditure commitments

The exploration permits held by the Kyrgyz entities have the following minimum exploration expenditure commitments to the State Agency for Geology and Mineral Resources under their respective licence agreements. The minimum expenditure commitments are rental payments for lease of the land on which the respective licenses are held.

	2015	2014
	$	$
Exploration expenditure commitments		
Within one year	**192,687**	203,571
Between one and three years	**696,523**	1,378,856
Later than three years but not later than five years	**479,204**	955,652
	1,368,414	2,538,079

The Company expects all commitments to be met as part of the exploration programs undertaken in the 2016 financial year and beyond.

25. CONTINGENCIES

The Consolidated Entity does not have any contingent liabilities at balance date.

26. EVENTS OCCURRING AFTER THE REPORTING DATE

In February and March 2016 the Company completed the issue of 821,153,973 fully paid ordinary shares at a price of $0.001 per share to raise gross proceeds of $821,154 for working capital purposes.

Other than as noted above, no matters or circumstances have arisen since the end of the financial year and to the date of this report which significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Manas Resources Limited (the 'Company'):

a. the accompanying financial statements and notes 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 2015 and of its performance for the year then ended; and

   ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 December 2015.

This declaration is signed in accordance with a resolution of the Board of Directors.

Mark Calderwood
Executive Chairman

Dated at Perth, 31 March 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Manas Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Manas Resources Limited ("the company"), which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Manas Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that additional funding is required to ensure that the Group can continue as a going concern. If the Group is unable to obtain funding through the available avenues mentioned in Note1, there would be a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, it may be unable to realise its assets and settle its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Manas Resources Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

DBuckley

D I Buckley
Partner

Perth, Western Australia
31 March 2016