

MANAS RESOURCES LIMITED ACN 128 042 606

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This Supplementary Prospectus is dated 23 July 2015 and supplements the Prospectus dated 10 July 2015 (**Prospectus**) issued by Manas Resources Limited (ACN 128 042 606) (**Company**). The purpose of this Supplementary Prospectus is to provide additional disclosure regarding the pro-forma financial information in the Prospectus.

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on 23 July 2015. ASIC and ASX take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning as in this Supplementary Prospectus. For the avoidance of doubt, references to 'Section' in this Supplementary Prospectus mean references to that section of the Prospectus, unless otherwise stated.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents. Other than the changes set out below, all other details in relation to the Prospectus remain unchanged.

2. SUPPLEMENTARY INFORMATION

2.1 Additional pro-forma financial information

Section 3.4 of the Prospectus includes pro-forma Balance Sheets as at 30 April 2015. These pro-formas were based on the unaudited Balance Sheet as at 30 April 2015 (as presented in internal management accounts to the Board).

Between 31 December 2014 (being the date of the Manas Group's last audited Financial Statements) and 30 April 2015, there has been a change in the measurement, presentation and classification of the Manas Group's (being the consolidated group comprising the Company and its subsidiaries) 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 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 Manas 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 the 30 April 2015 Balance Sheet. 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 30 April 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 profit and loss statement for the period

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ended 30 April 2015. Hence the "Accumulated losses" number in the 31 December 2014 Balance Sheet has reduced from \$27.2 million to \$18.3 million at 30 April 2015.

For further clarity in relation to the information above, the Company presents below the Balance Sheet at 31 December 2014 and at 30 April 2015.

	31 December 2014 Audited	30 April 2015 Unaudited
	\$	\$
Current Assets		
Cash and cash equivalents	447,136	458,546
Inventories	-	10,830
Other receivables	105,020	117,245
Assets classified as held for sale	20,255,351	-
Total Current Assets	20,807,507	586,621
Non-Current Assets		
Property, plant and equipment	31,874	344,601
Exploration and evaluation expenditure	-	29,589,640
Total Non-Current Assets	31,874	29,934,241
Total Assets	20,839,381	30,520,863
Trade and other payables	197,125	559,366
Liabilities associated with assets held for sale	255,350	-
Total Current Liabilities	452,475	559,366
Total Liabilities	452,475	559,366
Net Assets	20,386,906	29,961,497
Equity		
Issued capital	46,761,720	47,803,918
Reserves	842,914	441,089
Accumulated losses	(27,217,728)	(18,283,510)
Total Equity	20,386,906	29,961,497

3. ENTITLEMENT AND APPLICATION FORMS

As at the date of this Supplementary Prospectus, Entitlement and Application Forms in relation to the Offer have not been despatched to Eligible Participants. They will be despatched to Eligible Participants on 23 July 2015 in accordance with the timetable set out in the Prospectus and the Entitlement and Application Forms will make reference to this Supplementary Prospectus.

4. DIRECTORS STATEMENT

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. Each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.



Signed for and on behalf of Manas Resources Limited
By Mark Calderwood
Chairman

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