



**Manas Resources Limited**

ACN 128 042 606

**Annual Report**

**31 December 2018**

***Manas Resources Limited***  
***Corporate Directory***

<b>Directors</b>	Alan Campbell Mark Calderwood David Kelly Susmit Shah	Non-Executive Chairman Non-Executive Director Non-Executive Director Non-Executive Director
<b>Chief Executive Officer</b>	Chris MacKenzie	
<b>Company Secretary</b>	Susmit Shah	
<b>Registered and Administrative Office</b>	Level 2, Suite 9, 389 Oxford Street Mount Hawthorn, Western Australia 6016  PO Box 281 Mount Hawthorn Western Australia 6915 Telephone: Facsimile: Website: Email:	(61 8) 9380 6062 (61 8) 9380 6761 <a href="http://www.manasresources.com">www.manasresources.com</a> <a href="mailto:info@manasresources.com">info@manasresources.com</a>
<b>Auditors</b>	HLB Mann Judd Level 4, 130 Stirling Street Perth, Western Australia 6000	
<b>Share Registry</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway, Applecross Western Australia 6153 Telephone: Facsimile:	(61 8) 9315 2333 (61 8) 9315 2233
<b>Stock Exchange Listing</b>	Australian Securities Exchange	(Code – MSR)

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## REVIEW OF OPERATIONS

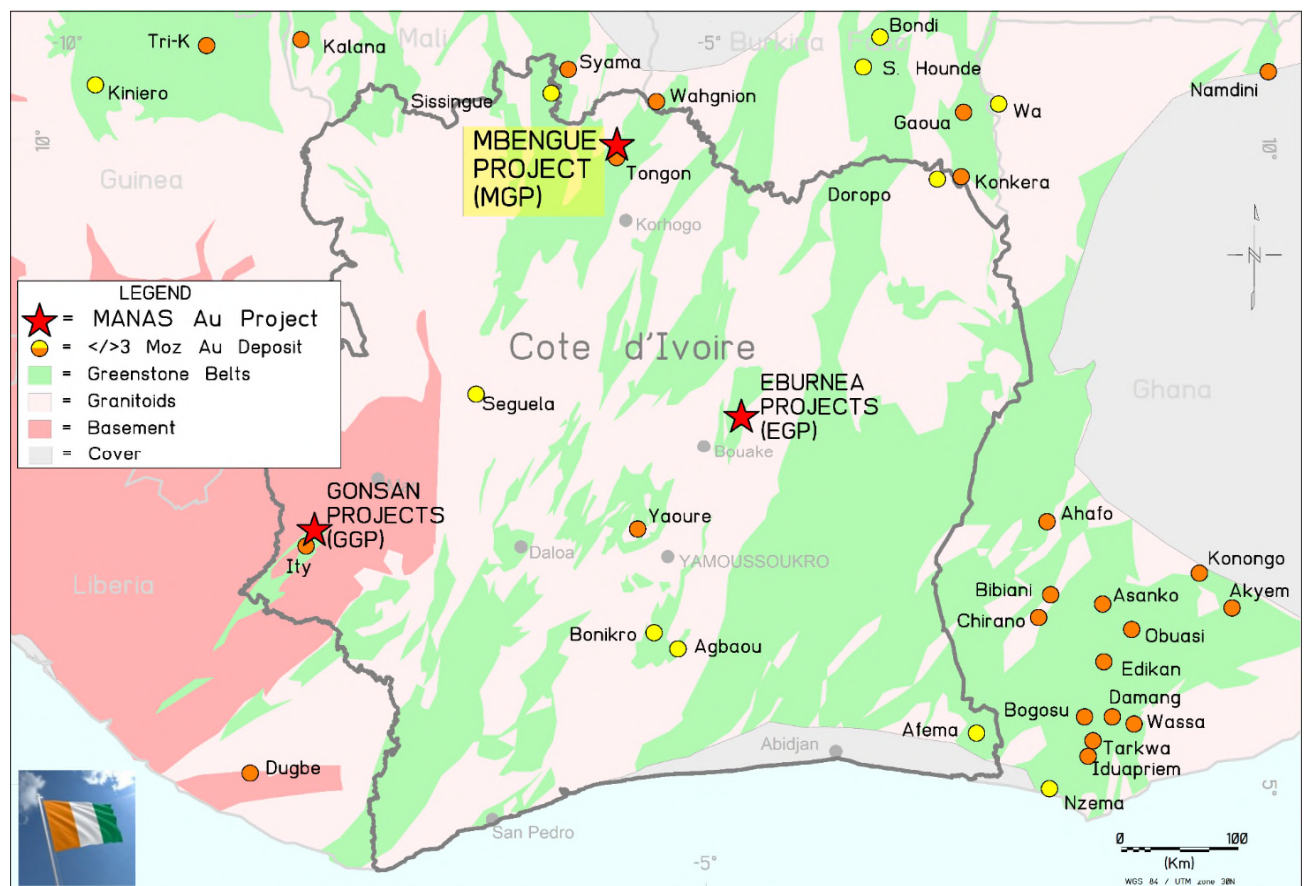
Key highlights of the activities conducted by Manas Resources Limited (Manas or the Company) are presented below:

### Acquisition of Côte d'Ivoire Exploration Projects

- Between January and May 2018, Manas entered into four earn-in and joint venture agreements on three main project areas in Côte d'Ivoire, West Africa.
- The Mbengué, Eburnea and Gonsan Gold Projects are all strategically-located holdings over highly prospective greenstone belts that host +1 million ounce gold deposits and operating mines.
- Flagship Mbengué Gold Project (MGP) is immediately adjacent to Barrick's Tongon gold mine. The project has significant historical data and numerous compelling drill targets.
- A maiden diamond drill programme comprising 13 drill holes was completed by Manas for a total of 1,312m, with the results announced on 14 November 2018. Drilling results from Mbengué included the following intercepts: **7m grading 7.54g/t Au; 9m grading 5.05g/t Au; 21m grading 2.11g/t Au and 9m grading 2.6g/t Au.**
- Regional exploration work ongoing.

### Withdrawal from Victoria Gold Project (VGP) Agreement, Tanzania

- In May 2018, Manas withdrew from the VGP acquisition agreements due to the lack of progress in effecting licence transfers and on-going and increasing challenges of operating in Tanzania.



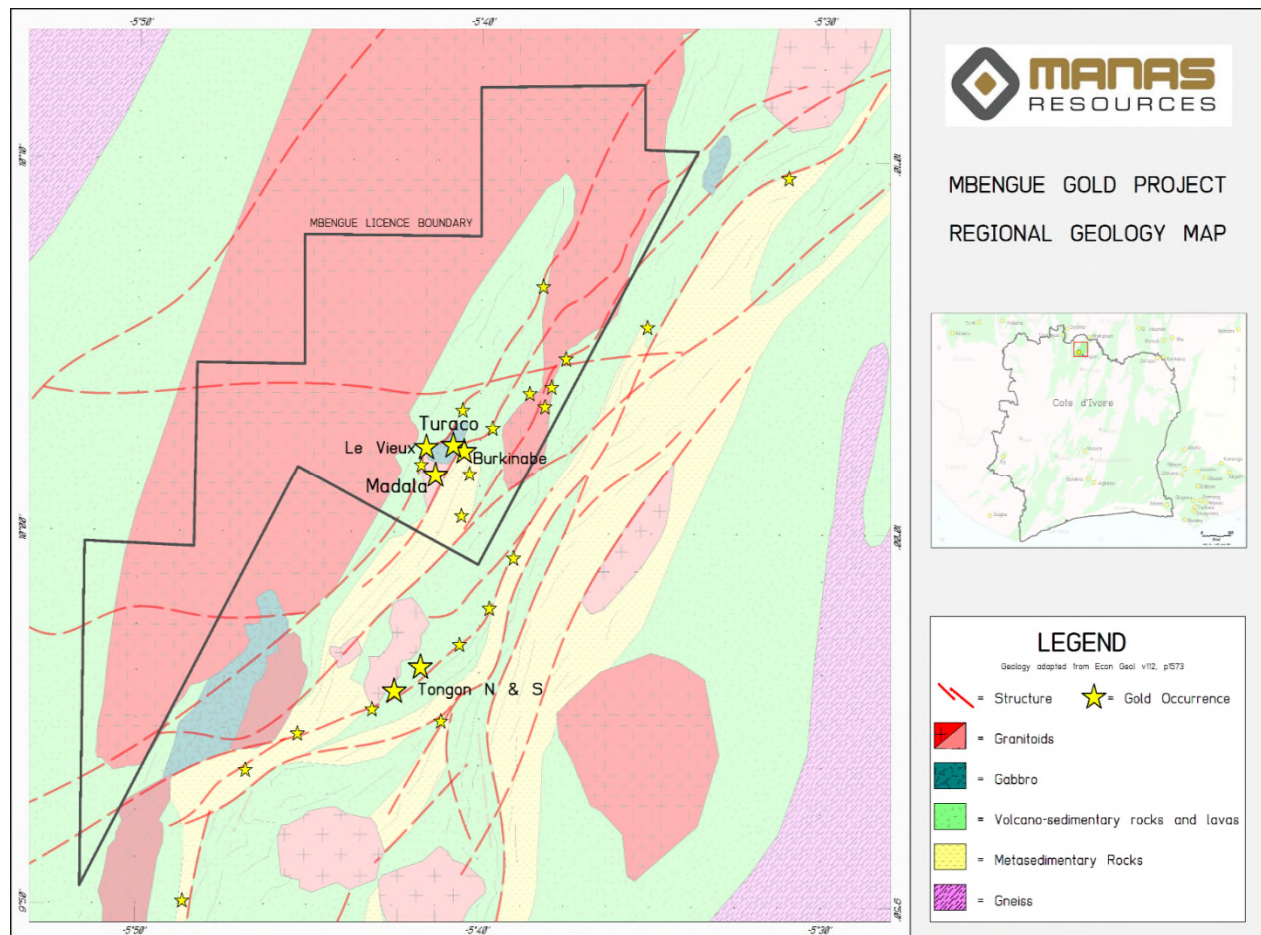
**Figure 1: Location of Manas's Projects in Côte d'Ivoire**

## **1. Mbengué Gold Project (MGP) (Manas earning 70%).**

Manas announced the acquisition of an interest in the Mbengué Gold Project on 18 May 2018. The Mbengué Permit is held by Occidental Gold SARL, a 100% owned subsidiary of Perseus Mining Limited (ASX:PRU “Perseus”). The project is located immediately north and west of Barrick’s Tongon mining licence and 70km southeast of Perseus’s Sissingué mine in the highly prospective Senoufo greenstone belt (Figure 1).

Following completion of minimum expenditure of US\$300,000, Manas has earned a 20% interest to date and can now earn up to 70% ownership through sole funding a total of US\$2.0 million in expenditure (inclusive of the initial US\$0.3 million expenditure) over 3 years following election to proceed. Thereafter the parties joint venture will continue with participating interests of 70% and 30% for Manas and Perseus respectively.

MGP lies between Barrick’s Tongon gold mine (4.5 Million ounces of gold in resources and reserves, producing 200,000-250,000 ounces Au per annum) and the Wahgnion gold deposit of Teranga Gold Corporation (~2.5Moz Au) over the border in Burkina Faso. The Senoufo belt in this area consists of mixed volcano-sedimentary packages intruded by granitoid bodies (Figure 2). Repetition of large-scale magnetic structures is evident and the Turaco prospect within MGP has a similar geological and geophysical setting to Tongon.



**Figure 2: Geology of the MGP**

Perseus had conducted widespread gold exploration at the MGP prior to reducing exploration activity in order to focus its efforts on its development assets in the country. Previous exploration activities by Perseus on the MGP include (refer Manas's announcements dated 18 May and 8 August 2018):

- >10,000 soil samples analysed for Au;
- Air Core Drilling: 254 holes for 12,124m;
- RAB Drilling: 230 holes for 7,386m;
- RC Drilling: 152 holes for 10,016m
- 160km<sup>2</sup> of airborne Magnetics (100m line spacing)

The historical drilling identified a number of targets (Figures 2 & 3). The exploration potential at the Mbengué Permit is considered to be very good, with numerous high-quality targets remaining to be tested. The most advanced prospects explored to date are all within 10km of the Tongon mine plant, and there is a steady pipeline of prospects available for advancement by exploration within 30km of the Tongon plant.

Manas spent a number of months synthesising the available data and planning an exploration programme to test the resource potential of the area.

Manas completed a thirteen hole (1,312m) maiden diamond drill programme at the MGP in October 2018. The results were announced on 14 November 2018. Seven holes were drilled at the Turaco prospect, and two each at the Burkinabe, Madala and Le Vieux prospects. Results from the drilling are summarised below:

**Turaco Prospect:** 7 Holes drilled for 772m, significant intercepts include:

- **1m grading 14.8g/t Au from 87m in MBDD002**
- **9m grading 5.05g/t Au from 60m in MBDD004**
- **21m grading 2.11g/t Au from 6m in MBDD005**
- **9m grading 2.6g/t Au from 74m in MBDD006**
- **10m grading 1.22g/t Au from 38m in MBDD013**

**Madala Prospect:** 2 Holes drilled for 226m, including a significant intercept of:

- **7m grading 7.54g/t Au from 46m in MBDD009.**

**Le Vieux Prospect:** 2 Holes drilled for 164m, with a significant intercept of:

- **1m grading 12.6g/t Au from 9m in MBDD011.**

**Burkinabe Prospect:** 2 holes drilled for 149m, with a significant intercept of:

- **1m at 4.14g/t Au from 12m in MBDD007.**

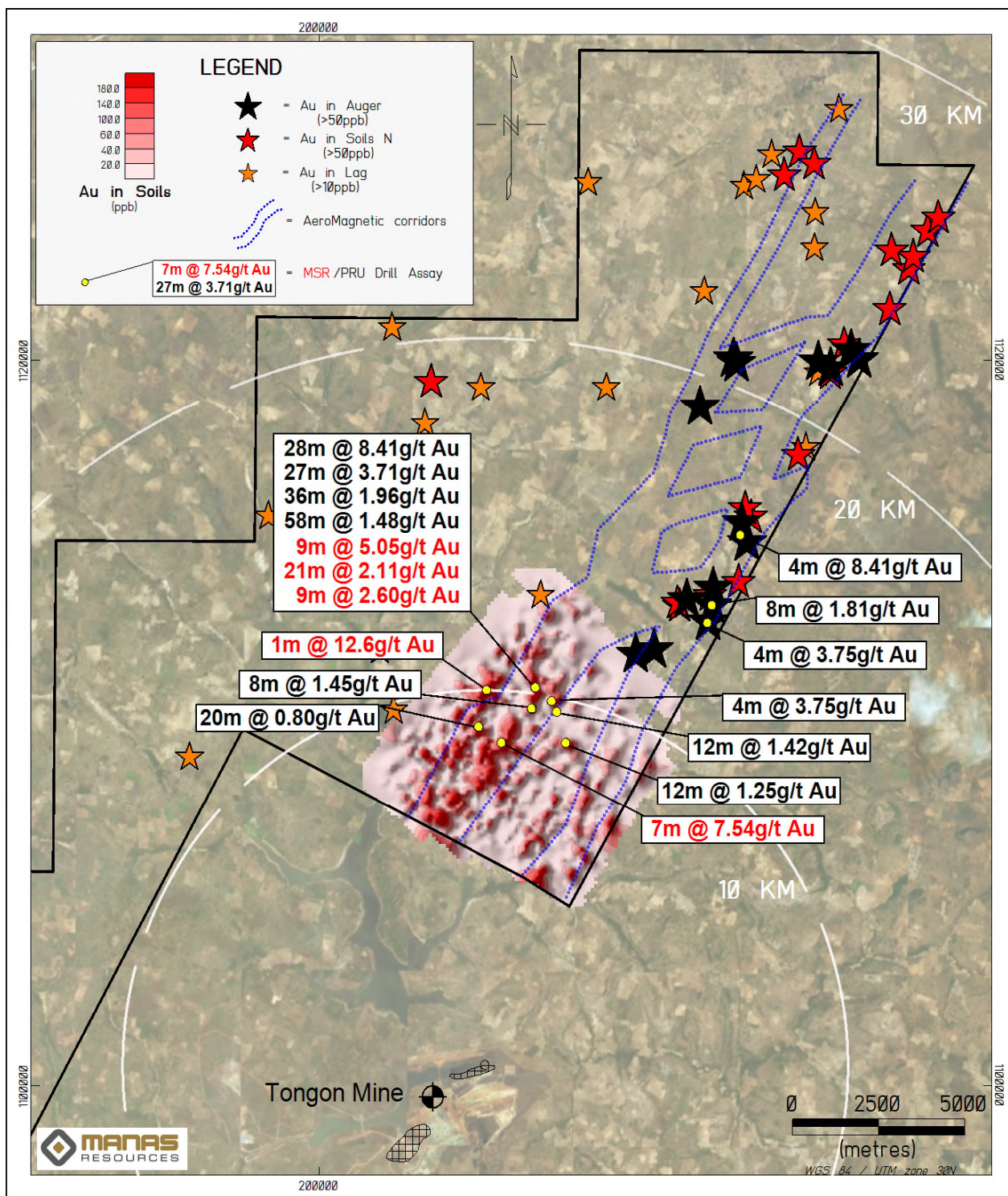
#### **Turaco**

The Turaco anomaly is located ~10km north of the 4.4 million-ounce Tongon gold mine.

All 7 holes from the drill programme intercepted an intermediate-basic intrusive unit (logged as gabbro) cut by late-stage dykes, usually hornblende-porphyrific, which are barren. Mineralisation is hosted by zones of increased disseminated sulphide and associated quartz veining in the gabbro. Individual veins are up to 30cm wide but generally average 1-5cm thick. Alteration is dominated by chlorite and sericite. Gold mineralisation is associated with increased sulphide content, dominantly pyrite with minor chalcopyrite and molybdenite. Petrological work conducted by Manas confirms the presence of free gold in the mineralised intercepts. A drill plan is shown in Figure 4.



The Company is encouraged by the grade and thickness of the zones of mineralisation intercepted in the drilling, which confirmed the presence of multiple zones of mineralisation down to 200m in MBDD013 (this hole ended in material grading > 1.3g/t Au).



**Figure 3: MGP Regional Exploration Showing Prospects in Relation to their distance from the Tongon Mine Plant (white circles in 10km increments from plant, selected Perseus drill results in black text & Manas in red).**

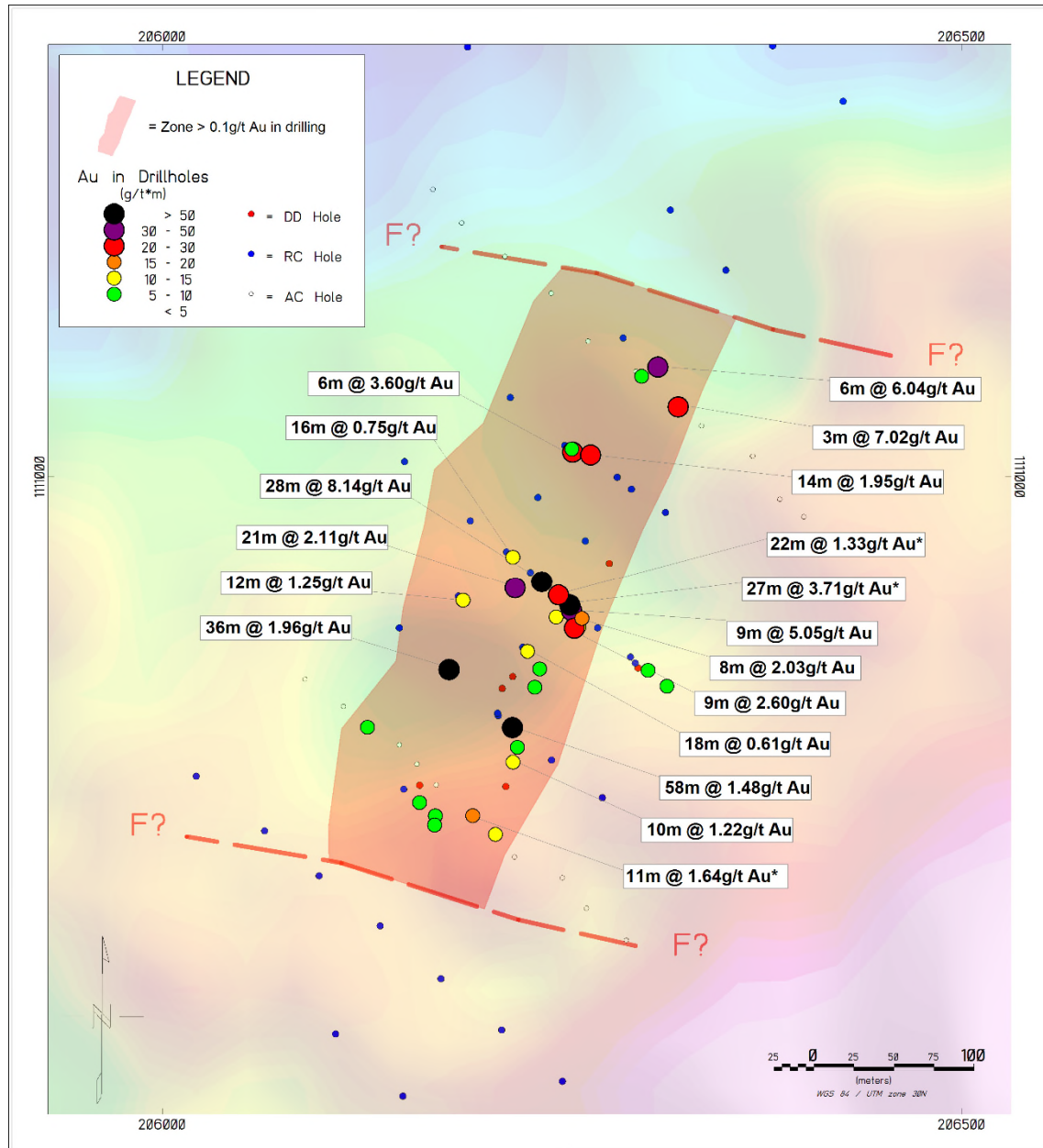
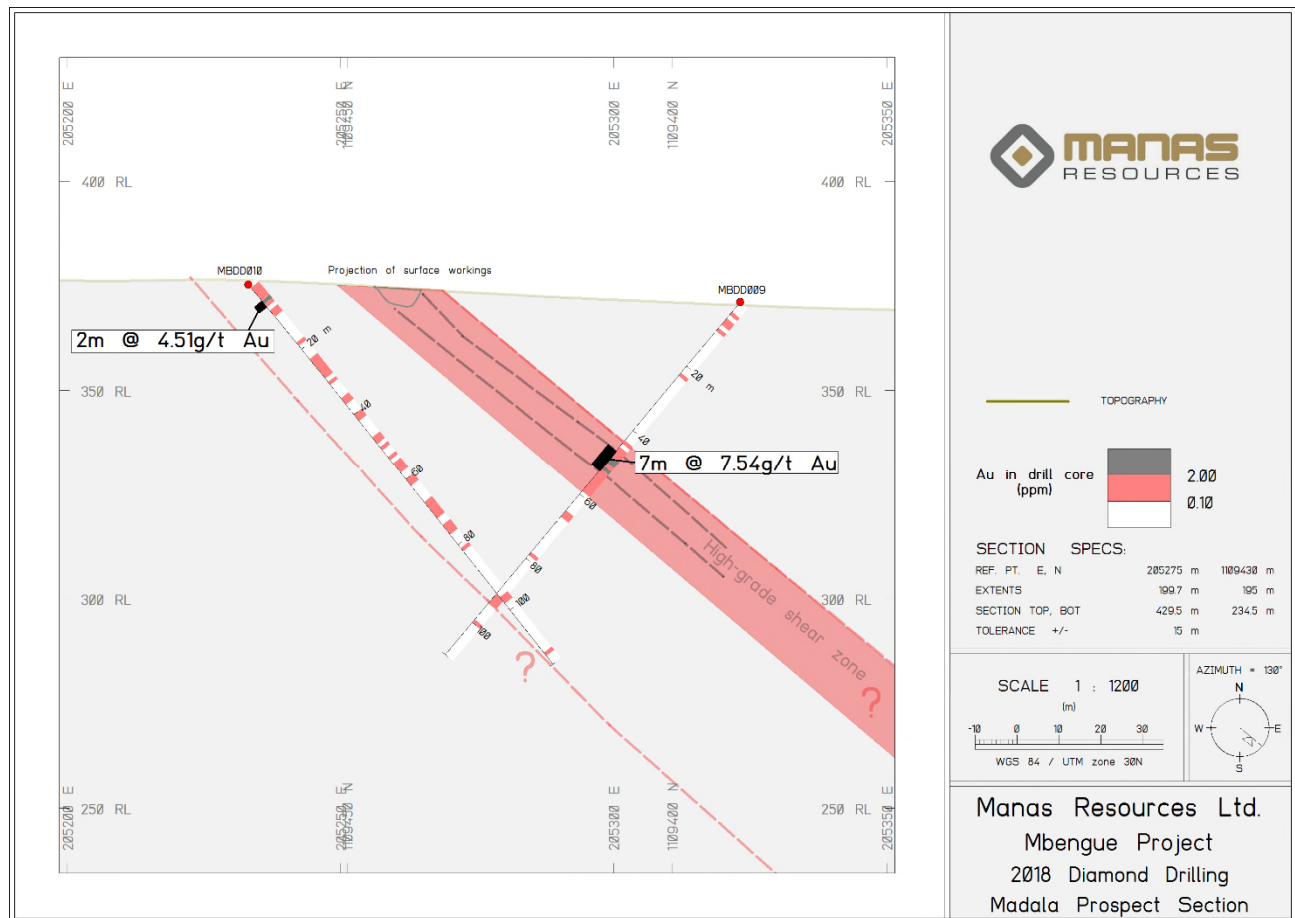


Figure 4: Plan showing main mineralised zone at Turaco with drill results marked.

### Madala

The Madala anomaly lies on a strong magnetic anomaly some 1.7km SW of Turaco. It is located ~8.5km north of the Tongon mine. Two holes, MBDD009 and MBDD010 totalling 226.5m, were drilled. The holes scissor perpendicularly under the mapped strike continuation of some old artisanal workings. The workings can be traced for 50m in a NE direction towards Turaco. Both holes intercepted a variably weathered intrusive quartz-feldspar porphyry. Minor thin quartz veining was observed in the rock, associated with increased disseminated pyrite and strong potassic alteration. A cross section is shown in Figure 5. The Madala prospect represents another new and exciting target discovered by the Company where further drilling will be required to test the strike and depth potential.





**Figure 5: Cross section through the Madala prospect.**

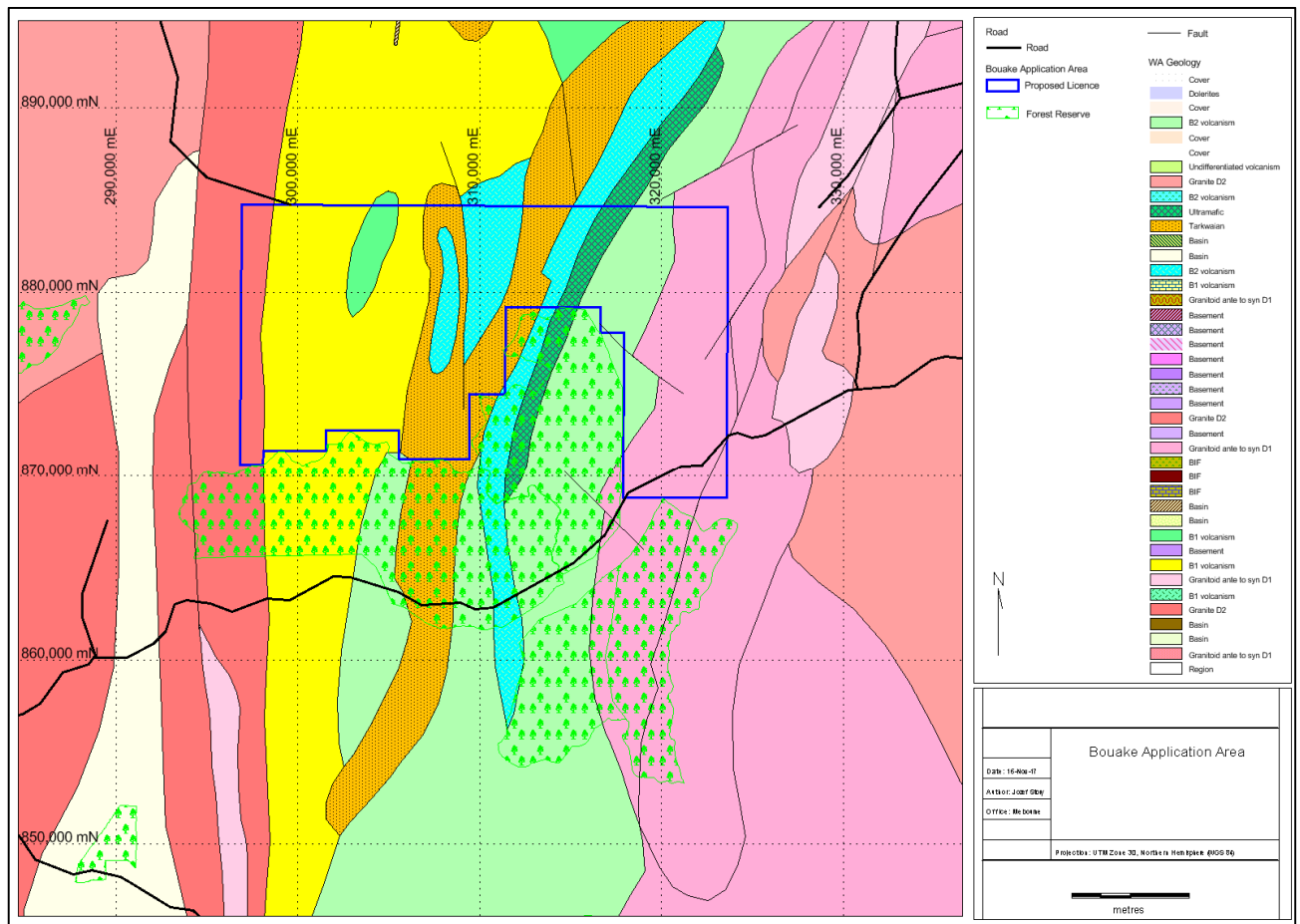
Subsequent to the year-end, the Company has completed a regional soil sampling programme covering 300km<sup>2</sup> of the MGP in order to put the drilled targets and known mineralisation into perspective and allow the regional exploration potential to be thoroughly assessed. Following completion of assaying, a review of the results of the soil sampling will provide Manas with a ranked series of targets for investigation by drilling.

## **2. Eburnea Gold Project (EGP) (Manas can earn up to 80%)**

As announced on 23 January 2018 and 29 May 2018, during the year under review Manas entered into agreements over two licence applications, Bouake North and South comprising the EGP.

The Bouaké Nord application is located in central-northeast Côte d'Ivoire, 30km northwest of the city of Bouake and approximately 290km north of Abidjan. Bouake South is immediately adjacent and to the south. The Project area lies on the southern extension of the Houande greenstone belt, which is host to several major gold deposits in neighbouring Burkina Faso. The northeast-trending greenstone belt is dominated by volcanic and volcanoclastic rocks, generally of basaltic-andesitic composition, intruded by granitic plutons of variable composition (see Figure 6).

There are currently no identified gold deposits or any documented previous exploration within EGP, however several artisanal prospects have been identified. Surface geochemistry and aircore drilling to the immediate north and south of the project area has highlighted extensive gold anomalism and zones of significant bedrock mineralization.



**Figure 6: Geological Map of the EGP**

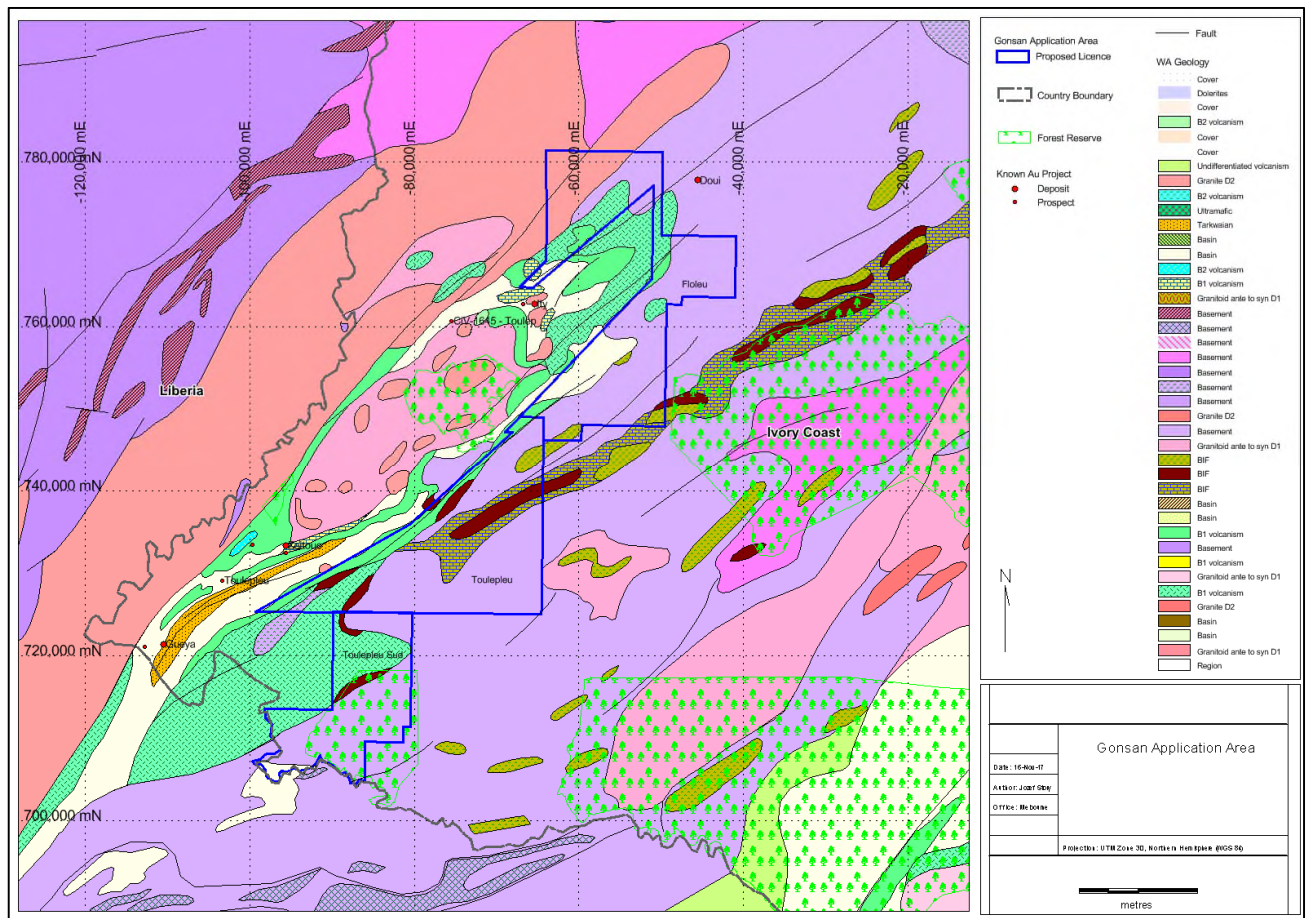
A restructuring process during 2018 resulted in the separation of the Ministry of Mines and Industry into separate ministries and the appointment of a permanent Minister for Mines. At present the two licence applications comprising the EGP are still pending.

### 3. Gonsan Gold Project (GGP) (Manas can earn up to 85%)

On 23 January 2018, Manas entered into an agreement to acquire up to 85% of the Gonsan Gold Project (GGP). The GGP, grant of permits pending, is located approximately 700km west-northwest of Côte d'Ivoire's economic capital city of Abidjan near the border with Liberia. The project surrounds Endeavour Mining's established Ity gold mining operation (resources and reserves ~3.8 Moz Au, producing 160,000 – 200,000 ounces of gold per year). See Figure 7.

The Gonsan Project area is adjacent to the 2.9Moz Ity gold mine. The Ity mine comprises several pits mining both shear-hosted and skarn-related gold. Mineral associations are Au-Cu-Mo-Ag-W-As-Sb.

The corresponding geology of the adjacent Gonsan and Ity projects suggests there is strong potential for additional subparallel lenses of Sulphur-rich skarn-hosted gold discoveries to be made within the Gonsan project area immediately along strike to the northeast of the Ity gold project. Several secondary shear zones off the major regional northeast trending shear and juxtaposed lithological units have also been identified throughout the Gonsan area that have the potential to host economic grade shear hosted mineralisation, warranting additional exploration activity.



**Figure 7: Geological Map of the GGP**

Once the licences are granted, the initial focus of exploration will be on the northern portion of the Project area, as well as along interpreted northeast-trending structural zones and secondary shears.

## Competent Person's Statement

The scientific and technical information contained within this Report is based on, and fairly represents information prepared by Mr. Christopher MacKenzie, a Competent Person who is a Chartered Geologist and a Fellow of The Geological Society of London.

Mr. MacKenzie is the Chief Executive Officer of Manas Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr MacKenzie consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The technical information in this report that relates to the Mbengué Gold Project has been previously reported by the Company in compliance with JORC 2012 on 8 August 2018, 14 November 2018 and 6 December 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in these earlier market announcements.

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## **DIRECTORS' REPORT**

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 "Group"), for the year ended 31 December 2018 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:

Mr Alan Campbell	Non-executive chairman (appointed 1 November 2018)
Mr Mark Calderwood	Non-executive director
Mr David Kelly	Non-executive director
Mr Susmit Shah	Non-executive director

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

#### **Alan Campbell**

##### **Non-Executive Chairman (Appointed 1/11/2018)**

Alan Campbell is a Geologist, with extensive experience and knowledge in the resource sector built over a career spanning more than 30 years in mineral exploration. He was Managing Director of Papillon Resources from December 2009 to May 2012, leading the team which discovered the 5moz Fekola gold deposit in Mali before Papillon's merger with B2Gold in 2014. Mr Campbell has worked and lived in Africa, Asia and Australia, having held senior roles and directorships in major and junior companies, including Anglo American and De Beers Group.

*Other current and former directorships in the last 3 years*

-

#### **Interest in securities**

5,000,000	Ordinary shares in Manas Resources Limited
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#### **Mark Calderwood**

**MAusIMM**

##### **Non-Executive Director (Appointed 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.

*Other current directorships*

Alliance Mineral Assets Limited – appointed December 2018

*Former directorships in the last 3 years*

Amani Gold Limited – appointed August 2014, resigned December 2017

Explaurum Limited – appointed August 2013, resigned August 2016

Tawana Resources NL (this company, formerly a listed entity, became a wholly owned subsidiary of Alliance Mineral Assets Limited in December 2018)

#### **Interest in securities**

56,801,628	Ordinary shares in Manas Resources Limited
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**David Kelly**  
**Non-Executive Director (Appointed 21/11/2016)**

David Kelly is a geologist and experienced Company Director. He has served in various senior executive roles in the resource sector for the last 30 years including as a geologist, investment banker, and corporate advisor. Mr Kelly is currently the General Manager of Corporate Strategy at ASX listed gold miner Resolute Mining Limited, where he is responsible for strategic business analysis and project evaluation.

*Other current directorships*

Predictive Discovery Limited – appointed 22 January 2016

*Former directorships in the last 3 years*

Renaissance Minerals (Cambodia) Limited – appointed 23 January 2013, resigned 27 September 2016

**Interest in securities**

Nil Ordinary shares in Manas Resources Limited

**Susmit Shah**  
**Bsc Econ**  
**Non-Executive Director and Company Secretary**  
**(Appointed Non-Executive Director 26/5/2017, Company Secretary 17/10/2007)**

Susmit Shah is an 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.

*Other current directorships*

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*Former directorships in the last 3 years*

Amani Gold Limited – appointed 16 June 2005, resigned 27 March 2018

Kangaroo Resources Limited (delisted from ASX on 13 December 2018) – appointed 1 December 2015

**Interest in securities**

3,000,000 Ordinary shares in Manas Resources Limited

**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 2018 are:

<b>Director</b>	<b>Board Meetings</b>	
	<b>Eligible to attend</b>	<b>Attended</b>
Alan Campbell (appointed 1 November 2018)	1	1
Mark Calderwood	4	4
David Kelly	4	4
Susmit Shah	4	4

There are no Remuneration or Audit Committees in place. The Board as a whole has assumed their roles. 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 loss for the year from continuing operations ended 31 December 2018 was \$63,608 (31 December 2017 loss from continuing operations of \$4,063,295). The small loss can be attributed to a strong US dollar over the course of the year, resulting in foreign exchange gains as most of the Group's cash reserves are held in US dollars. No dividends were paid during the year and the Directors do not recommend payment of a dividend.

## **LOSS PER SHARE**

Basic loss per share for the year ended 31 December 2018 was 0.002 cents (31 December 2017: basic loss per share 0.15 cents).

## **REVIEW OF OPERATIONS**

A review of operations of the Consolidated Entity during the year ended 31 December 2018 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.

## **EVENTS SUBSEQUENT TO REPORTING DATE**

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 Consolidated Entity's focus over the coming period will be to continue exploration work at the Mbengué Gold Project, as well as commence work on the Gonsan and Eburnea Gold Projects upon grant of permits. The Group continues to assess other project opportunities in Côte d'Ivoire and elsewhere.

## **SHARE OPTIONS**

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

<b>Grant Date</b>	<b>Issue price of shares</b>	<b>Expiry date</b>	<b>Number of options</b>
1 July 2016	\$0.005	30 June 2020	30,000,000
23 July 2018	\$0.0075	30 November 2021	40,000,000

During the year, 40 million options were granted and issued to Chief Executive Officer, Chris MacKenzie after his probation period and with the terms set out above.

Apart from the above, no other share options 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.

## **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**

Mr Alan Campbell <sup>1</sup>

Mr Mark Calderwood <sup>2</sup>

Mr David Kelly

Mr Susmit Shah

<sup>1</sup>. Mr Campbell was appointed Non-Executive Chairman on 1 November 2018.

<sup>2</sup>. Mr Calderwood acted in the capacity of Non-Executive Chairman up to 31 October 2018.

### **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:

Chris MacKenzie

Philip Reese

Chief Executive Officer (appointed 23 July 2018)

Chief Executive Officer (appointed 11 April 2016, ceased 23 July 2018)

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.

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.

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**REMUNERATION REPORT - continued**

**(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.

**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.

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. No securities-based compensation was issued to Directors during the year.

The Board 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 2018 is detailed in Table 1 of this report.

**(b) Details of Remuneration**

Details of the remuneration of the Directors and other Key Management Personnel of the Company are set out in the following table. The Key Management Personnel of the Company are the Directors of Manas Resources Limited as well as the Company Secretary and Chief Executive Officer. Detail of the employment contract with the Chief Executive Officer is as follow:

<b>Name</b>	<b>Term of Agreement</b>	<b>Base Salary including Superannuation</b>	<b>Termination Benefit</b>
Chris MacKenzie Chief Executive Officer	Ongoing commencing 23 July 2018	\$250,000	6 months' salary where the control of the Company changes and he is made redundant, or his position changes significantly.

Mr MacKenzie's services were provided to the Company through his consulting company, Peak Minerals Limited.



**REMUNERATION REPORT - continued**

**Table 1 - Key Management Personnel Remuneration for the financial year ended 31 December 2018 and 31 December 2017**

		Short-term employee benefits	Post Employment	Equity	Total	Percentage of Remuneration as Options/ Rights
		Salary/Fees	Superannuation/ Retirement Benefits	Value of Options / Rights		
		\$	\$	\$	\$	%
<b>Directors:</b>						
Alan Campbell (appointed 1/11/2018)						
	<b>2018</b>	<b>7,500</b>	-	-	<b>7,500</b>	-
	2017	-	-	-	-	-
Mark Calderwood						
	<b>2018</b>	<b>42,500</b>	-	-	<b>42,500</b>	-
	2017	45,000	-	-	45,000	-
David Kelly (appointed 21/11/2016)						
	<b>2018</b>	<b>30,000</b>	<b>2,850</b>	-	<b>32,850</b>	-
	2017	30,000	2,850	-	32,850	-
Susmit Shah (appointed 26/5/2017) <sup>(i)</sup>						
	<b>2018</b>	<b>20,000</b>	-	-	<b>20,000</b>	-
	2017	18,078	-	-	18,078	-
Justin Lewis (resigned 26/5/2017)						
	<b>2018</b>	-	-	-	-	-
	2017	15,000	-	-	15,000	-
Total, all specified Directors						
	<b>2018</b>	<b>100,000</b>	<b>2,850</b>	-	<b>102,850</b>	
	2017	108,078	2,850	-	110,928	
<b>Other Key Management Personnel:</b>						
Incoming Chief Executive Officer Chris Mackenzie (appointed 23/7/2018)						
	<b>2018</b>	<b>110,215</b>	-	<b>50,630</b>	<b>160,845</b>	<b>31</b>
	2017	-	-	-	-	-
Outgoing Chief Executive Officer Philip Reese (ceased 23/7/2018)						
	<b>2018<sup>(ii)</sup></b>	<b>203,843</b>	-	-	<b>203,843</b>	-
	2017 <sup>(iii)</sup>	324,998	-	43,076	368,074	12
<b>Total Key Management Personnel:</b>						
	<b>2018</b>	<b>414,058</b>	<b>2,850</b>	<b>50,630</b>	<b>467,538</b>	
	2017	433,076	2,850	43,076	479,002	

- (i) Mr Shah was appointed a non-executive director on 26 May 2017. Director fee for 2018 and 2017 has been accrued and unpaid. 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 \$136,259 (31 December 2017: \$158,062) were paid or were payable to Corporate Consultants Pty Ltd, for secretarial services as well as the provision of office space, administration and accounting services. There was an amount of \$16,475 payable at the balance date.
- (ii) Includes fees from the cessation date of 23 July 2018 for a further period of 3 months in accordance with contract terms.
- (iii) Short-term employee benefit includes a \$75,000 cash bonus for the completion of the sale of the Kyrgyz assets,

## 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.

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

No options were granted during the year under a non-plan based payment.

#### *Performance Rights*

No performance rights were granted during the year ended 31 December 2018 and 2017.

### 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 latest renewal of the EOP was approved by shareholders in May 2018. 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 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*

	Grant date	Date vested & exercisable	Fair-value per option at grant date (\$)	Exercise price per option (\$)	Expiry date	Number of options vested during the financial year ended 31 December 2018
<b>Options</b>						
40,000,000	23 July 2018	(i)	0.0028	0.0075	30 November 2021	Nil
30,000,000	12 August 2016	(ii)	0.0019	0.005	30 June 2020	30,000,000

(i) Issued as part of the remuneration package. These options will vest one year from grant date.

(ii) Issued as part of remuneration package.

40,000,000 options were issued to Mr MacKenzie under the EOP during the year ended 31 December 2018 (31 December 2017: Nil).

No options were exercised by Key Management Personnel during the financial year ended 31 December 2018 (31 December 2017: 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

## REMUNERATION REPORT – continued

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	23 July 2018
(b)	Exercise price	\$0.0075
(c)	Expiry date	30 November 2021
(d)	Share price at grant date	\$0.005
(e)	Expected price volatility of the Company's shares	100%
(f)	Risk-free interest rate	3.0%

## Loans to Directors and Executives

During the financial year ended 31 December 2018, there were no loans provided to Directors and Executives (31 December 2017: Nil).

## Shareholdings

The numbers of shares in the Company held during the financial year ended 31 December 2018 and 2017 by Key Management Personnel, including shares held by entities they control, are set out below:

<b>2018</b>	<b>Opening Balance</b>	<b>Received as Remuneration</b>	<b>Performance Rights Exercised</b>	<b>Other Movements</b>	<b>Balance at appointment/ resignation</b>	<b>Closing Balance</b>
<b><i>Parent entity Directors</i></b>						
Alan Campbell <sup>1</sup>	N/A	-	-	5,000,000	-	5,000,000
Mark Calderwood	48,801,628	-	-	8,000,000	-	56,801,628
David Kelly	-	-	-	-	-	-
Susmit Shah	3,000,000	-	-	-	-	3,000,000
<b><i>Other KMP</i></b>						
Chris MacKenzie <sup>2</sup>	-	-	-	-	-	-
Philip Reese <sup>3</sup>	147,016,380	-	-	-	(147,016,380)	N/A
<sup>1</sup> Mr Campbell was appointed Non-executive Chairman on 1 November 2018 <sup>2</sup> Mr MacKenzie was appointed Chief Executive Officer on 23 July 2018 <sup>3</sup> Mr Reese ceased as Chief Executive Officer on 23 July 2018.						
<b>2017</b>	<b>Opening Balance</b>	<b>Received as Remuneration</b>	<b>Performance Rights Exercised</b>	<b>Other Movement s</b>	<b>Balance at appointment/ resignation</b>	<b>Closing Balance</b>
<b><i>Parent entity Directors</i></b>						
Mark Calderwood	48,801,628	-	-	-	-	48,801,628
David Kelly	-	-	-	-	-	-
Susmit Shah <sup>4</sup>	-	-	-	-	3,000,000	3,000,000
Justin Lewis <sup>5</sup>	21,537,118	-	-	-	(21,537,118)	N/A
<b><i>Other KMP</i></b>						
Philip Reese	91,016,511	-	10,500,000	45,499,869	-	147,016,380
<b><i>Parent entity Directors</i></b>						
<sup>4</sup> Mr Shah was appointed a non-executive director on 26 May 2017. <sup>5</sup> Mr Lewis resigned on 26 May 2017.						

## REMUNERATION REPORT – continued

### Option holdings

The number of options over ordinary shares in the Company held during year ended 31 December 2018 and 2017 by Key Management Personnel, including options over ordinary shares held by entities they control, are set out below:

2018	Opening Balance	Received as Remuneration	Options Exercised/ Expired	Other Movements	Closing Balance
<b>Parent entity Directors</b>					
Alan Campbell <sup>1</sup>	N/A	-	-	-	-
Mark Calderwood	-	-	-	-	-
David Kelly	-	-	-	-	-
Susmit Shah	-	-	-	-	-
<b>Other KMP</b>					
Chris MacKenzie <sup>2</sup>	-	40,000,000	-	-	40,000,000
Philip Reese <sup>3</sup>	30,000,000	-	-	(30,000,000)	N/A
<b>2017</b>	<b>Opening Balance</b>	<b>Received as Remuneration</b>	<b>Options Exercised/ Expired</b>	<b>Other Movements</b>	<b>Closing Balance</b>
<b>Parent entity Directors</b>					
Mark Calderwood	-	-	-	-	-
David Kelly	-	-	-	-	-
Susmit Shah <sup>4</sup>	-	-	-	-	-
Justin Lewis <sup>5</sup>	-	-	-	-	-
<b>Other KMP</b>					
Philip Reese	30,000,000	-	-	-	30,000,000

On 12 August 2016, 30,000,000 options were issued to Mr Reese as part of his remuneration as CEO of the Company. The options have an exercise price of \$0.005 and expire on 30 June 2020.

<sup>1</sup> Mr Campbell was appointed Non-Executive Chairman on 1 November 2018.

<sup>2</sup> Mr MacKenzie was appointed Chief Executive Officer on 23 July 2018.

<sup>3</sup> Mr Reese ceased as Chief Executive Officer on 23 July 2018.

<sup>4</sup> Mr Shah was appointed a non-executive director on 26 May 2017.

<sup>5</sup> Mr Lewis resigned on 26 May 2017.

### Performance Rights

There were no performance rights issued or on issue as at year ended 31 December 2018 and 2017.

### End of Remuneration Report



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## **INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS**

The Company's Constitution requires it to indemnify Directors and officers 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 Company 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 2018 to September 2019 amounting to \$8,281 (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 subject to Cote d'Ivoire environmental laws, regulations and permit conditions while conducting exploration activities at the gold projects in Cote d'Ivoire. There have been no known breaches of environmental laws or permit conditions during this period.

## **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.



Alan Campbell  
Non-Executive Chairman  
Perth, 28 March 2019

## 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 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in 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**  
**28 March 2019**



**D I Buckley**  
**Partner**

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**Manas Resources Limited**  
**Statement of Comprehensive Income**

**31 December 2018**

	<b>Notes</b>	<b>Consolidated 2018 \$</b>	<b>Company 2017 \$</b>
Revenue	2	<b>46,454</b>	84,561
		<b>46,454</b>	84,561
Due diligence costs		<b>(88,525)</b>	-
Foreign exchange gain / (loss)		<b>933,395</b>	(938,868)
Employee benefits expense		<b>(429,631)</b>	(436,803)
Share-based payments	13a	<b>(50,630)</b>	(43,076)
Depreciation and amortisation expense	9	<b>(13,721)</b>	(270)
Impairment of assets	8	<b>(35,102)</b>	(2,356,405)
Occupancy expenses		<b>(31,121)</b>	(30,000)
Travel expenses		<b>(74,274)</b>	(80,562)
Corporate and administration expenses		<b>(319,513)</b>	(260,822)
Other expenses		<b>(940)</b>	(1,050)
Loss before income tax		<b>(63,608)</b>	(4,063,295)
<b>Income tax benefit</b>	5	<b>-</b>	-
<b>Loss for the year from continuing operations</b>		<b>(63,608)</b>	(4,063,295)
<b>Loss for the year</b>		<b>(63,608)</b>	(4,063,295)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange gain arising on translation of foreign operations		<b>(2,101)</b>	-
<b>Total comprehensive loss for the year, net of tax</b>		<b>(65,709)</b>	(4,063,295)
Loss per Share			
Basic loss per share (cents per share)	4	<b>(0.002)</b>	(0.15)
Diluted loss per share (cents per share)	4	<b>(0.002)</b>	(0.15)

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

**Manas Resources Limited**  
**Statement of Financial Position**

**31 December 2018**

	Notes	Consolidated 2018 \$	Company 2017 \$
<b>Current Assets</b>			
Cash and cash equivalents	17	8,832,843	9,709,035
Other receivables	7	10,316	17,212
<b>Total Current Assets</b>		<b>8,843,159</b>	<b>9,726,247</b>
<b>Non-Current Assets</b>			
Other assets	8	97,641	20,000
Property, plant and equipment	9	53,017	-
Exploration and evaluation expenditure	10	775,364	-
<b>Total Non-Current Assets</b>		<b>926,022</b>	<b>20,000</b>
<b>Total Assets</b>		<b>9,769,181</b>	<b>9,746,247</b>
<b>Current Liabilities</b>			
Trade and other payables	11a	232,837	71,501
Provision	11b	-	123,323
<b>Total Current Liabilities</b>		<b>232,837</b>	<b>194,824</b>
<b>Total Liabilities</b>		<b>232,837</b>	<b>194,824</b>
<b>Net Assets</b>		<b>9,536,344</b>	<b>9,551,423</b>
<b>Equity</b>			
Issued capital	12	53,083,579	53,083,579
Reserves	13	3,983,073	3,934,544
Accumulated losses	14	(47,530,308)	(47,466,700)
<b>Total Equity</b>		<b>9,536,344</b>	<b>9,551,423</b>

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



**Manas Resources Limited**  
**Statement of Changes in Equity**

**31 December 2018**

Company	Issued Capital	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 January 2017</b>	53,083,579	3,891,468	-	(43,403,405)	13,571,642
Loss attributable to members of the parent entity	-	-	-	(4,063,295)	(4,063,295)
Total comprehensive loss for the year	-	-	-	(4,063,295)	(4,063,295)
Recognition of share-based payments	-	43,076	-	-	43,076
<b>Balance at 31 December 2017</b>	<b>53,083,579</b>	<b>3,934,544</b>	<b>-</b>	<b>(47,466,700)</b>	<b>9,551,423</b>
<b>Consolidated</b>					
<b>Balance at 1 January 2018</b>	53,083,579	3,934,544	-	(47,466,700)	9,551,423
Loss attributable to members of the parent entity	-	-	-	(63,608)	(63,608)
Exchange differences arising on translation of foreign operations	-	-	(2,101)	-	(2,101)
Total comprehensive loss for the year	-	-	(2,101)	(63,608)	(65,709)
Recognition of share-based payments	-	50,630	-	-	50,630
<b>Balance at 31 December 2018</b>	<b>53,083,579</b>	<b>3,985,174</b>	<b>(2,101)</b>	<b>(47,530,308)</b>	<b>9,536,344</b>

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

**Manas Resources Limited**  
**Statement of Cash Flows**

**31 December 2018**

	Notes	Consolidated 2018 \$	Company 2017 \$
<b>Cash Flows from Operating Activities</b>			
Interest received		46,454	84,561
Payments to suppliers and employees		(839,018)	(1,449,144)
<b>Net cash (outflow) from Operating Activities</b>	17	<b>(792,564)</b>	<b>(1,364,583)</b>
<b>Cash Flows from Investing Activities</b>			
Payment for purchase of plant and equipment		(66,738)	-
Payment for exploration and evaluation expenditure		(873,939)	(856,244)
Payment of project acquisition costs / option fee		(84,214)	(1,056,566)
Proceeds from sale of subsidiaries, net of cash disposed of		-	6,395,284
Security deposit		-	(20,000)
<b>Net cash (outflow) / inflow from Investing Activities</b>		<b>(1,024,891)</b>	<b>4,462,474</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from share issues		-	-
Payment of share issue costs		-	-
<b>Net cash inflow from Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(1,817,455)</b>	<b>3,097,891</b>
Cash and cash equivalents at the beginning of the year		9,709,035	7,168,380
Net foreign exchange differences		941,263	(557,236)
<b>Cash and Cash Equivalents at the end of the year</b>	17	<b>8,832,843</b>	<b>9,709,035</b>

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 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 Consolidated Entity (or “Group”) consisting of Manas Resources Limited and its subsidiaries. For the purpose of preparing the consolidated financial statements, the Group 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, Tanzania and Cote D'Ivoire. The Group's principal activities are evaluation and exploration of mineral interests, prospective for precious metals and other mineral deposits.

### *Going Concern*

The financial report had been prepared on the going concern basis. At balance date, the Group had a working capital surplus of \$8,610,322. The board of the Group considers that based on its assessment of cash flow that it is appropriate to prepare the financial statements on a going concern basis.

### **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 year ended 31 December 2018. 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 28 March 2019. 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).

### **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 2018 and the results of all subsidiaries for the twelve months then ended or the period in which those subsidiaries were controlled. Manas Resources Limited and its subsidiaries together are referred to in this financial report as the “Group” or the “Consolidated Entity”.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

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.

***Recovery of deferred tax assets***

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**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 15.

**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 expected. Bad debts are written off when identified.

**Foreign currency transactions and balances**

The functional and presentation currency of Manas Resources Limited is Australian dollars.

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 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.

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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

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 Company 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.

**Property, plant and equipment**

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

***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.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

***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 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 Company 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 Company will retain a non-controlling interest in its former subsidiary, after the sale.

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

After the disposal takes place, the Company accounts for any retained interest in the associate or joint venture in accordance with AASB 128 unless the retained interest continues to be an associate or a joint venture, in which case the Company uses the equity method.



## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

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.

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.

### **Trade and other 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 Group 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).

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

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 15.

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).

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 Company'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 Company 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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**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**

	<b>Consolidated 2018 \$</b>	Company 2017 \$
Other income includes the following:		
Interest income	<b>46,454</b>	84,561

## **3. AUDITOR'S REMUNERATION**

Audit services:

- Auditors of the Company – HLB Mann Judd	<b>26,710</b>	35,500
	<b>26,710</b>	35,500

## **4. LOSS PER SHARE**

	<b>2018</b>	2017
Basic loss per share (cents per share)	<b>(0.002)</b>	(0.15)
Loss for the year (\$)	<b>(63,608)</b>	(4,063,295)
Basic loss per share from continuing operations (cents per share)	<b>(0.002)</b>	(0.15)
Weighted average number of ordinary shares used in the calculation of basic loss per share	<b>2,632,662,488</b>	2,632,662,488

**5. INCOME TAX EXPENSE**

The major components of tax benefit are:

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:

	<b>Consolidated</b>	Company
	<b>2018</b>	2017
	<b>\$</b>	<b>\$</b>
Accounting loss before tax from continuing operations	<b>(63,608)</b>	(4,063,295)
Income tax (benefit) calculated at 27.5%	<b>(17,492)</b>	(1,117,406)
Non-deductible expenses	<b>14,155</b>	11,881
Other deferred tax assets and tax liabilities not recognised	<b>3,337</b>	1,105,525
Income tax benefit reported in the statement of comprehensive income	<b>-</b>	<b>-</b>

**(b) Unrecognised deferred tax balances**

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

Deferred tax assets comprise:

Losses available for offset against future taxable income – revenue	<b>2,787,738</b>	2,716,613
Losses available for offset against future taxable income – capital	<b>9,848,678</b>	9,342,933
Other deferred tax assets / (liabilities)	<b>91,053</b>	755,054
	<b>12,727,469</b>	12,814,600

**(c) Income tax expense not recognised directly in equity**

	<b>2018</b>	2017
	<b>\$</b>	<b>\$</b>
Share issue costs	<b>-</b>	-
	<b>-</b>	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

Deferred tax liabilities have not been recognised in respect of these taxable temporary differences as the entity is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

## 6. 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 Group considers that it has only operated in two segment, being the continued exploration and evaluation of mineral interests in Cote D'Ivoire and the withdrawal of all activities in Tanzania (2017 – Tanzania).

### (b) Segment information provided to the Board

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

#### 2018

Consolidated	Cote D'Ivoire	Tanzania	Corporate and Unallocated	Total
	\$		\$	\$
<b>Results</b>				
Segment result	-	-	(63,608)	(63,608)
Interest income	-	-	46,545	46,545
Employee benefits expense	-	-	(429,631)	(429,631)
Share-based payments	-	-	(50,630)	(50,630)
Depreciation	-	-	(13,721)	(13,721)
Occupancy	-	-	(31,121)	(31,121)
Corporate, administrative and other	-	-	(450,143)	(450,143)
Impairment of assets <sup>1</sup>	-	(35,102)	-	(35,102)
	Cote D'Ivoire	Tanzania	Corporate and Unallocated	Total
	\$		\$	\$
Exploration and evaluation expenditure	775,364	-	-	775,364
Other Segment Assets	136,627	-	8,857,190	8,993,817
Total Assets	911,991	-	8,857,190	9,769,181
<b>Group Liabilities</b>				
Trade and other payables	52,682	-	180,155	232,837
	52,682	-	181,155	232,837

1. The Company formally withdrew from Tanzania in May 2018 due to a lack of progress in the acquisition of Victoria Gold Project. All costs associated with VGP were fully impaired in the current year ending 31 December 2018 and 31 December 2017. Refer to note 8 for more details.

**6. SEGMENT INFORMATION – continued**

**2017**

	<b>Tanzania</b>	<b>Corporate and Unallocated</b>	<b>Company</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Results</b>			
Segment result	(2,356,405)	(1,706,890)	(4,063,295)
Interest income	-	84,561	84,561
Employee benefits expense	-	(436,803)	(436,803)
Share-based payments	-	(43,076)	(43,076)
Depreciation	-	(270)	(270)
Occupancy	-	(30,000)	(30,000)
Corporate, administrative and other	-	(1,281,302)	(1,281,302)
Impairment of assets	(2,356,405)	-	(2,356,405)
	<b>Tanzania</b>	<b>Corporate and Unallocated</b>	<b>Company</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other Segment Assets	-	9,746,247	9,746,247
Total Assets	-	9,746,247	9,746,247
<b>Group Liabilities</b>			
Trade and other payables	123,323	71,501	194,824
	123,323	71,501	194,824

**7. OTHER RECEIVABLES**

	<b>Consolidated 2018 \$</b>	<b>Company 2017 \$</b>
<b>Current</b>		
GST receivable	-	8,564
Prepayments and advances	10,316	8,648
	10,316	17,212



## 8. OTHER ASSETS

	<b>Consolidated 2018 \$</b>	<b>Company 2017 \$</b>
Non-refundable deposit <sup>(1)</sup>	<b>1,326,148</b>	1,326,148
Due diligence costs <sup>(2)</sup>	<b>350,954</b>	456,372
Less: Impairment of assets	<b>(1,677,102)</b>	(1,782,520)
Loans <sup>(3)</sup>	<b>714,404</b>	573,885
Less: Loan provision	<b>(714,404)</b>	(573,885)
Security deposit <sup>(4)</sup>	<b>20,000</b>	20,000
Other deposit <sup>(5)</sup>	<b>77,641</b>	-
	<b>97,641</b>	20,000

- (1) Non-refundable deposit and prepaid acquisition consideration totalling US\$1,000,000 (31 December 2017: US\$1,000,000) paid for the Victoria Gold Project. Although Manas withdrew from the project in May 2018, Manas is entitled to a refund of US\$800,000 in prepaid cost should the project be on-sold to a third party within 12 months after May 2018.
- (2) Cost associated with due diligence work performed at the Victoria Gold Project. Due to the termination of the Asset Sale agreement in May 2018, the carrying costs have been fully impaired.
- (3) The Company has a loan with Mabangu Mining Ltd ("MML"), the owner of the Victoria Gold Project. On signing the Asset Sale agreement, the Company assumed management control of MML and was funding the exploration activities in MML. This loan is repayable in full plus 3% interest per annum. The Company has a second loan with Tyacks Gold Limited, which was planned to be the local holding vehicle for the VGP project. The total loan amount as at 31 December 2018 was \$402,491 (2017: \$325,043). As at 31 December 2018, both loan amounts have been fully provided against for the reasons noted in (2) above and the doubtful nature of recovery.
- (4) Security deposit held with bank for a corporate credit card facility.
- (5) Other deposit relates to payment for interests in two entities which have applications for permits in relation to the Gonsan and Bouake Nord projects in Cote D'Ivoire.

## 9. PROPERTY, PLANT AND EQUIPMENT

### *Plant and equipment*

	<b>Consolidated 2018 \$</b>	<b>Company 2017 \$</b>
At cost	<b>73,833</b>	7,095
Less accumulated depreciation	<b>(20,816)</b>	(7,095)
	<b>53,017</b>	-

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

### **Reconciliation:**

	<b>Consolidated 2018 \$</b>	<b>Company 2017 \$</b>
Balance at the beginning of the year	-	270
Additions	<b>66,738</b>	
Depreciation expense	<b>(13,721)</b>	(270)
Carrying amount at the end of the year	<b>53,017</b>	-

**10. EXPLORATION AND EVALUATION EXPENDITURE**

	<b>Consolidated</b>	Company
	<b>2018</b>	2017
	<b>\$</b>	<b>\$</b>
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	-	-
Expenditure incurred during the year	<b>775,364</b>	-
Impairment of tenements	-	-
	<b>775,364</b>	-

The recoupment of cost 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.

**11a. TRADE AND OTHER PAYABLES**

	<b>Consolidated</b>	Company
	<b>2018</b>	2017
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade payables	<b>64,541</b>	17,219
Other accruals	<b>168,296</b>	54,282
	<b>232,837</b>	71,501

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 Company are 30 days from invoice date and are non-interest bearing.

**11b. PROVISION**

	<b>Consolidated</b>	Company
	<b>2018</b>	2017
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Loan Provision	-	123,323

This provision is related to further loan funds provided since the prior year balance date and up to the date of this report to the Tanzanian entities the subject of the Victoria Gold Project acquisition and the recognition that these loans may not be recouped - also refer Note 8 of the accounts.

**12. ISSUED CAPITAL**

	<b>Consolidated</b>	Company	<b>Consolidated</b>	Company
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>Number</b>	<b>Number</b>	<b>\$</b>	<b>\$</b>
<b>(a) Issued and paid-up share capital</b>				
Ordinary shares, fully paid	<b>2,643,162,488</b>	2,643,162,488	<b>53,083,579</b>	53,083,579
<b>(b) Movements in ordinary shares</b>				
Balance at beginning of the year	<b>2,643,162,488</b>	2,632,662,488	<b>53,083,579</b>	53,083,579
Conversion of performance rights	-	10,500,000	-	-
Balance at end of the year	<b>2,643,162,488</b>	2,643,162,488	<b>53,083,579</b>	53,083,579

## 12. ISSUED CAPITAL – continued

### (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
<b>2018</b>								
Unlisted options	12 Aug 16	\$0.005	30 Jun 20	30,000,000 <sup>1</sup>	-	-	30,000,000	30,000,000
Unlisted options	23 Jul 18	\$0.075	30 Nov 21	-	40,000,000 <sup>2</sup>	-	40,000,000	-
				30,000,000	40,000,000	-	70,000,000	30,000,000
<b>2017</b>								
Unlisted Rights	29 May 14	n/a	31 Dec 17	1,000,000 <sup>3</sup>	-	(1,000,000)	-	-
Unlisted Rights	15 Feb 16	n/a	31 Dec 17	9,500,000 <sup>3</sup>	-	(9,500,000)	-	-
Unlisted options	12 Aug 16	\$0.005	30 Jun 20	30,000,000 <sup>1</sup>	-	-	30,000,000	30,000,000
				40,500,000	-	(10,500,000)	30,000,000	30,000,000

1. These unlisted options were issued as part of remuneration terms for the Company's former CEO, Philip Reese.
2. 40 unlisted million options were issued as part of incoming CEO, Chris MacKenzie's remuneration. These options shall vest one year from grant date.
3. Performance rights were issued as part of the remuneration package of the Company's former CEO, Philip Reese. During the year, these performance rights vested at the Board's discretion and were converted into shares.

## 13. RESERVES

	Consolidated 2018 \$	Company 2017 \$
Share-based payment reserve (a)	3,985,174	3,934,544
Foreign currency translation reserve (b)	(2,101)	-
	<b>3,983,073</b>	<b>3,934,544</b>

### (a) Share-based payment reserve

Opening balance	3,934,544	3,891,468
Performance Rights vesting expense (i)	-	15,149
Options issued to management (i)	50,630	27,927
Closing balance 31 December	<b>3,985,174</b>	<b>3,934,544</b>

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.

(i) Refer to Note 15 for further details.

**13. RESERVES - continued**

	<b>Consolidated 2018 \$</b>	<b>Company 2017 \$</b>
<i>(b) Foreign currency translation reserve</i>		
Opening balance	-	-
Currency translation differences arising during the year	<b>(2,101)</b>	-
Closing balance 31 December	<b>(2,101)</b>	-

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

**14. ACCUMULATED LOSSES**

	<b>Consolidated 2018 \$</b>	<b>Company 2017 \$</b>
Accumulated losses at the beginning of the year	<b>(47,466,700)</b>	(43,403,405)
Loss from continuing operations	<b>(63,608)</b>	(4,063,295)
Accumulated losses at the end of the year	<b>(47,530,308)</b>	(47,466,700)

**15. SHARE-BASED PAYMENTS**

*Employee Share Option Plan*

In November 2008, the Company adopted the Manas Resources Limited Employee Option Plan ("Plan"). The Plan was renewed and approved by shareholders at the annual general meeting held on 29 May 2018. 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 \$50,630 (31 December 2017: \$43,076), relating to performance rights and options.

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

	<b>2018 Number of Options</b>	<b>2018 Weighted average exercise price</b>	<b>2017 Number of options</b>	<b>2017 Weighted average exercise price</b>
Outstanding at the beginning of the year	<b>30,000,000</b>	<b>\$0.005</b>	30,000,000	\$0.005
Granted during the year	<b>40,000,000</b>	<b>\$0.0075</b>	-	-
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	<b>70,000,000</b>	<b>\$0.006</b>	30,000,000	\$0.005
Exercisable at the end of the year	<b>30,000,000</b>		-	

## **15. SHARE-BASED PAYMENTS - continued**

40,000,000 options were granted during the year ended 31 December 2018 as part of an executive remuneration package. During the year ended 31 December 2018 and 2017, no options were exercised.

The following table lists the inputs to the model used for the financial periods ended 31 December 2018.

	<b>31 December 2018</b>
Volatility	<b>100%</b>
Risk-free interest rate	<b>3.0%</b>
Expected life of option	<b>3 years</b>
Exercise price	<b>\$0.0075</b>
Share price at grant date	<b>\$0.005</b>

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

	<b>2018 Number of PRs</b>	<b>2018 Weighted average exercise price</b>	<b>2017 Number of PRs</b>	<b>2017 Weighted average exercise price</b>
Outstanding at the beginning of the year	-	n/a	10,500,000	n/a
Granted during the year	-	n/a	-	n/a
Forfeited/(vested) during the year	-	n/a	(10,500,000)	n/a
Outstanding at the end of the year	-	-	-	-

During the year ended 31 December 2017, 10,500,000 performance rights vested and were converted into shares. There were no outstanding performance rights as at 31 December 2018 and 2017.

## **16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The activities of the Group expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Group'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 Group'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 Group 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.

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 2018, the Group held A\$8,607,176 in US dollar bank balances. At 31 December 2018, 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 \$956,353 lower (December 2017: \$1,066,974) / \$782,471 higher (31 December 2017: \$872,979).

## 16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

The Group 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 Group 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 2018, if interest rates had increased/decreased by 100 basis points from the weighted average effective rate for the year, with other variables constant, the (loss)/profit for the year would have been \$92,587 lower (December 2017: \$99,410)/ \$92,587 higher (December 2017: \$99,410).

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.

2018	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in:		Non-interest Bearing	Total
			1 year or less	Over 1 year		
		\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and cash equivalents	0.50%	8,773,281	-	-	59,562	8,832,843
Other receivables	1.50%	-	20,000	-	87,957	107,957
<b>Total Financial Assets</b>		8,773,281	20,000	-	147,519	8,940,800
<b>Financial Liabilities</b>						
Trade and other payables		-	-	-	232,837	232,837
<b>Total Financial Liabilities</b>		-	-	-	232,837	232,837

2017	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in:		Non-interest Bearing	Total
			1 year or less	Over 1 year		
		\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and cash equivalents	0.85%	9,634,153	-	-	74,882	9,709,035
Other receivables	2.60%	-	20,000	-	17,212	37,212
<b>Total Financial Assets</b>		9,634,153	20,000	-	92,094	9,746,247
<b>Financial Liabilities</b>						
Trade and other payables		-	-	-	71,501	71,501
Provision		-	-	-	123,323	123,323
<b>Total Financial Liabilities</b>		-	-	-	194,824	194,824

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**16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued**

**(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.

**(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 Group'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 Group anticipates a need to raise additional capital in the next 12 months to meet forecast operational activities, then the decision on how the Group 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.



**17. CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	Company
	<b>2018</b>	2017
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand (i)	<b>8,832,843</b>	9,709,035
	<b>8,832,843</b>	9,709,035

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

**(a) Statement of Cash Flows**

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

Loss from ordinary activities after income tax	<b>(63,608)</b>	(4,063,295)
Add back non-cash items:		
Depreciation	<b>13,721</b>	270
Share-based payment expense	<b>50,630</b>	43,076
Impairment of asset	<b>35,102</b>	1,782,520
Foreign exchange loss/(gain)	<b>(873,320)</b>	931,532
Loan provisions	<b>-</b>	573,885
Net cash (outflow) from operating activities before change in assets and liabilities	<b>(837,475)</b>	(732,012)
Change in assets and liabilities:		
Decrease / (increase) in operating receivables	<b>6,896</b>	4,057
(Decrease) / increase in operating payables	<b>38,015</b>	(636,628)
<b>Net cash (outflow) from operating activities</b>	<b>(792,564)</b>	(1,364,583)

## **18. KEY MANAGEMENT PERSONNEL DISCLOSURES**

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

### **Other Key Management Personnel**

Mr Chris MacKenzie –Chief Executive Officer (appointed 23 July 2018)

Mr Philip Reese –Chief Executive Officer (ceased 23 July 2018)

### **Non-Executive Directors**

Mr Alan Campbell (appointed 1 November 2018)

Mr Mark Calderwood

Mr David Kelly

Mr Susmit Shah

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

	<b>Consolidated</b>	<b>Company</b>
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>414,058</b>	433,076
Post-employment benefits	<b>2,850</b>	2,850
Share-based payments	<b>50,630</b>	43,076
	<b>467,538</b>	479,002

### ***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.

- 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 \$136,259 (December 2017: \$158,062) were paid or were payable to CCPL for provision of secretarial services, as well as office space, administration and accounting services. There was an amount of \$16,475 payable at the balance date. Mr Shah was appointed a non-executive director of the Company on 26 May 2017.

## **19. SUBSIDIARIES**

### **(a) Particulars in relation to subsidiaries**

Name of Subsidiary	Place of Incorporation	Group's Interest	Group's Interest	Class of Shares
		31 December 2018	31 December 2017	
<b>Parent Entity</b>		%	%	
Manas Resources Limited	Australia	-	-	-
<b>Subsidiaries</b>				
TTFB Pty Ltd	Australia	100	100	Ord
LVG Holdings Pty Ltd	Australia	100	100	Ord
Manas Cote D'Ivoire SARL	Cote D'Ivoire	100	-	Ord

### **(b) Terms and conditions of loans to related parties**

Loan advances made to subsidiaries noted in the table above. These 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 16.

## **20. RELATED PARTY TRANSACTIONS**

### **(a) Key Management Personnel**

Disclosures relating to Key Management Personnel are set out in Note 18.

### **(b) Other Related Party Transactions**

No related party transactions other than those outlined in Note 18.

### **(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 19.

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

## **21. PARENT ENTITY DISCLOSURES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b><i>Financial Position</i></b>		
<b>Assets</b>		
Current assets	<b>8,784,173</b>	9,726,247
Non-current assets (i)	<b>987,677</b>	20,000
Total assets	<b>9,771,850</b>	9,746,247
<b>Liabilities</b>		
Current liabilities	<b>232,838</b>	194,824
Total liabilities	<b>232,838</b>	194,824
<b>Equity</b>		
Issued capital	<b>53,083,579</b>	53,083,579
Accumulated losses	<b>(47,529,741)</b>	(47,466,700)
Reserves		
Share-based payments	<b>3,985,174</b>	3,934,544
<b>Total equity</b>	<b>9,539,012</b>	9,551,423
<b><i>Financial performance</i></b>		
(Loss) for the year	<b>(63,041)</b>	(4,063,295)
Total comprehensive (loss) for the year	<b>(63,041)</b>	(4,063,295)

- (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 2018 or 31 December 2017.

The Company does not have any lease commitments.

## **22. COMMITMENTS**

### **(a) Exploration expenditure commitments**

In January 2018, the Company entered into an earn-in and joint venture agreements to acquire the rights to earn an interest of up to 85% in the Gonsan Project and 80% in the Bouaké Nord Gold Project (forming part of the Eburnea Gold Project, following an agreement to acquire an interest in the Bouaké Sud Gold Project) in Côte d'Ivoire, West Africa (refer ASX announcements dated 23 January and 29 May 2018) as a result of which the Company will be subject to various minimum expenditure outlays as noted below:

#### ***Gonsan Project:***

Within 30 days of grant of each Gonsan permit application (3 permit applications), Manas is required to make payments of 6,000,000 FCFA (approximately AUD\$14,000) to Gonsan and further annual payments of 6,000,000 FCFA on the anniversary of each retained permit for up to 4 years.

## **22. COMMITMENTS - continued**

Under the terms of its agreement with Gonsan, Manas is also required to sole fund minimum exploration expenditure on each of the 3 Gonsan permits as follows:

- Before the end of Year 1 (from granting of permit): FCFA 64,000,000;
- Before the end of Year 2: FCFA 160,000,000;
- Before the end of Year 3: FCFA 320,000,000; and
- Before the end of Year 4: FCFA 640,000,000.

As an incentive to the Gonsan shareholders to enter into the agreement, Manas will issue 15 million options to the Gonsan shareholders on grant of the permits. The key terms of the options include a three year term to subscribe for Manas shares at a subscription price of \$0.006 per share.

### ***Bouaké Nord***

Within 30 days of grant of the Bouaké Nord permit application, Manas is required to make payment of US\$25,000 to Eburnea and further annual payments of US\$25,000 on the anniversary of the permit for years 1 to 3 and US\$75,000 for year 4.

Under the terms of its agreement with Eburnea, Manas is also required to sole fund minimum exploration expenditure on the permit as follows:

- Before the end of Year 1: FCFA 62,000,000;
- Before the end of Year 2: FCFA 155,000,000;
- Before the end of Year 3: FCFA 309,000,000; and
- Before the end of Year 4: FCFA 615,000,000.

### ***Bouaké Sud***

Manas has a 12 month option, expiring May 2019, which it can exercise by issue of 20 million options with a 3 year term to acquire shares in the Company at an issue price of A\$0.006 to enter into an earn-in and joint venture agreement on similar terms (see above) to the Bouaké Nord earn-in agreement.

### ***Mbengué Project:***

In May 2018, the Company entered into an earn-in agreement with Perseus Mining Limited ("Perseus") to acquire 70% of the Mbengué Gold Project in Northern Cote D'Ivoire, West Africa by sole funding a total of US\$2,000,000 exploration expenditure in stages over a 3 years period as follows:

- US\$300,000 in the first six months to earn a 20% interest; and
- US\$1,700,000 in the next three years to earn an additional 50% interest.

The Company has spent over US\$300,000 during the year ended 31 December 2018 to earn its initial 20% interest and has notified Perseus its intention to proceed with the joint venture.

## **23. CONTINGENT ASSETS AND LIABILITIES**

As explained in Note 8, the Company has recorded a provision for impairment of acquisition costs relating to the Victoria Gold Project as well as loans provided to Tanzanian entities (entities that were subject to acquisition under the relevant agreements). The Company has the right to receive up to US\$0.8m from the counterparty if the counterparty disposes the Victoria Gold Project to a 3<sup>rd</sup> party within 12 months after the termination of the agreement with the Company in May 2018. The Company also has the right to a refund of the loans provided to the Tanzanian entities that are the subject of the acquisition agreements and which loans have an aggregate value of US\$441,948 at the date of this report. The Company does not have any contingent liabilities at balance date.

## **24. EVENTS OCCURRING AFTER THE REPORTING DATE**

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 Group, the results of those operations or the state of affairs of the Group 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 Group's financial position as at 31 December 2018 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 Group 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 2018.

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



**Alan Campbell**  
**Non-Executive Chairman**

Dated at Perth, 28 March 2019

**INDEPENDENT AUDITOR'S REPORT**

To the members of Manas Resources Limited

**Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of Manas Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

*Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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## Key Audit Matter

## How our audit addressed the key audit matter

### Carrying value of exploration assets

Note 10

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.

Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.

Our procedures included but were not limited to the following:

- We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest;
- We considered the Directors' assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and
- We examined the disclosures made in the financial report.

### *Information other than the financial report and auditor's report thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

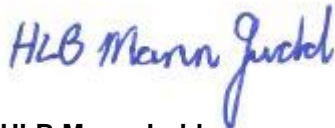
### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Manas Resources Limited for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

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



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**28 March 2019**



**D I Buckley**  
**Partner**

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Board of Directors of Manas Resources Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Manas Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company's governance approach aims to achieve exploration, development and financial success while meeting stakeholders' expectations of sound corporate governance practices by proactively determining and adopting the most appropriate corporate governance arrangements.

The Company has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable and given its size and circumstances the Company has adopted the Eight Essential Corporate Governance Principles and Recommendations ("Recommendations"), as published by ASX Corporate Governance Council ("CGC").

The Company's directors are fully cognisant of the Corporate Governance Principles and Recommendations published by CGC and have adopted those recommendations where they are appropriate to the Company's circumstances. However, a number of those principles and recommendations are directed towards listed companies considerably larger than Manas Resources Limited, whose circumstances and requirements accordingly differ markedly from the Company's. For example, the nature of the Company's operations and the size of its staff mean that a number of the Board committees and other governance structures recommended by the CGC are not only unnecessary in Manas's case, but the effort and expense required to establish and maintain them would, in the directors' view, be an unjustified diversion of shareholders' funds.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the ASX Corporate Governance Principles and Recommendations ("ASX Principles") released by the ASX Corporate Governance Council ("CGC"). The ASX Principles require the board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles. A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire financial year ended 31 December 2018. They comply with the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Company's website at [www.manasresources.com](http://www.manasresources.com) contains a corporate governance section that includes copies of the Company's corporate governance policies.

- |              |  |
|--------------|--|
| Principle 1. | Lay solid foundations for management and oversight |
| Principle 2. | Structure the board to add value                   |
| Principle 3. | Act ethically and responsibly                      |
| Principle 4. | Safeguard integrity in corporate reporting         |
| Principle 5. | Make timely and balanced disclosure                |
| Principle 6. | Respect the rights of security holders             |
| Principle 7. | Recognise and manage risk                          |
| Principle 8. | Remunerate fairly and responsibly                  |

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**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)**

**Principle 1: Lay solid foundations for management and oversight**

**Recommendation 1.1:**

*Companies should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the Board and those delegated to management and disclose those functions.*

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of the senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board is responsible for:

- Determining the vision and objectives of the Company;
- Overseeing and fostering an appropriate culture for the Company that is directly aligned to its values, strategies and objectives;
- Reviewing and approving the Company's financial position, systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Identifying all areas where written board policy is required, detailing the policies, and overseeing the implementation and monitoring of compliance;
- Formulating short term and long term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to meet strategic objectives;
- Approving and monitoring the progress of major expenditure and acquisitions and divestments;
- Approving the annual budgets, and ensuring these are aligned with the Company's strategic objectives;
- Being responsible for the Company's senior management and personnel including appointing and, where appropriate, removing the Chairman;
- Ratifying the appointment, and where appropriate, the removal of the Executive Directors and the Company Secretary;
- Evaluating the performance of the senior management team and determining their remuneration;
- Delegating appropriate powers to senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- Ensuring that policies and procedures are in place consistent with the Company's objectives, and that the Company and its officers act legally, ethically and responsibly in all matters; and
- Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy.

The responsibility for the day to day operation and administration of the Group is delegated by the Board to the Chief Executive Officer [CEO] who in turn delegates specific responsibilities to the senior management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the senior management team. These delegations are reviewed as appropriate.

The Board Charter is available on the Company's website under the Corporate Governance section.

The CEO is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board.

The CEO's (or as delegated to Senior Executives) specific responsibilities include:

- responsibility for the achievement of corporate goals and objectives
- development of short, medium and long-term corporate strategies and planning to achieve the Company's vision and overall business objectives
- implementing and monitoring strategy and reporting/ presenting to the Board on current and future initiatives
- advising the Board regarding the most effective organisational structure and oversee its implementation

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**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

- assessment of business opportunities of potential benefit to the Company
- encouraging staff commitment
- establishing and maintaining effective and positive relationships with Board members, shareholders, the investment community and other government and business liaisons
- undertaking the role of key Company spokesperson
- recommending policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives
- ensuring statutory, legal and regulatory compliance and compliance with corporate policies and standards
- ensuring appropriate risk management practices and policies are in place
- selecting and appointing staff; and
- ensuring there is an appropriate staff appraisal system in place in the Company.

This statement of matters reserved for the Board and areas of delegated authority to the CEO and senior executives is contained in the Board Charter posted on the Company's website.

In July 2018, the Company appointed a new CEO, Chris MacKenzie to replace out-going CEO, Phil Reese. In November 2018, Alan Campbell was appointed as a Non-Executive Director as well as the Chairman of the Board and Mr Campbell is an independent director. With his appointment, Mark Calderwood relinquished his role as Chairman but remained as a Non-Executive Director of the Company.

**Recommendation 1.2:**

*Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.

All security holder releases will contain material information about any candidate to enable an informed decision to be made on whether or not to elect or re-elect a director.

**Recommendation 1.3:**

*Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.*

Mr Calderwood, a founding director does not have a formal letter of appointment, however terms and conditions have been agreed in correspondence and Board resolutions. Letters of appointment are in place for the other non-executive directors and employment contracts are in place for the Chief Executive Officer and other senior executives.

**Recommendation 1.4:**

*The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.*

The Company Secretary has a direct reporting line to the Board, through the Chair.

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

**Recommendation 1.5:**

*The Company should establish a policy concerning diversity and disclose the policy or summary of the policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.*

The Company recognises that a talented and diverse workforce is a key competitive advantage. The Company is committed to developing a workplace that promotes diversity. The Company's policy is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background. The Company has not yet formalised this policy into a written document. It is the Board's intention to formalise the policy at a time when the size of the Company and its activities warrants such a structure.

During 2018, the Manas Group had two full time and full time equivalent staff. There are no women on the Board.

**Recommendation 1.6:**

*The Company should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Due to the size of the Board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of individuals. The Chairman conducted an informal review during the financial year whereby the performance of the Board as a whole and the individual contributions of each director were discussed. The Board considers that at this stage of the Company's development an informal process is appropriate.

**Recommendation 1.7:**

*The Company should have and disclose a process for periodically evaluating the performance of senior executives and whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board undertakes a review of the senior executives' performance, at least annually, including setting the goals for the coming year and reviewing the achievement of these goals.

Performance has been measured to date by the efficiency and effectiveness of the enhancement of the Company's mineral interest portfolio, the designing and implementation of the exploration and development programme and the securing of ongoing funding so as to continue its exploration and development activities. This performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration / pre-development stage and during this period is expected to incur operating losses.

Due to the size of the Company and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of senior executives. The Chairman conducted an informal review process whereby he discussed with senior executives the approach toward meeting the short and long term objectives of the Company. The Board considers that at this stage of the Company's development an informal process is appropriate.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

### Principle 2: Structure the Board to add value

#### Recommendation 2.1:

*The Board should establish a Nomination Committee of which the majority should be independent directors (including the Chair).*

The Company does not have a nomination committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

Directors are appointed under the terms of the Company's constitution. Appointments to the Board are based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise, and experience of the board. The categories considered necessary for this purpose are a blend of accounting and finance, business, technical and administration skills. Casual appointments must stand for election at the next annual general meeting of the Company.

Retirement and rotation of Directors are governed by the Corporations Act 2001 and the Constitution of the Company. All Directors, with the exception of the Managing Director (if appointed), serve for a period of three years before they are requested to retire and if eligible offer themselves for re-election.

#### Recommendation 2.2:

*The Company should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.*

The Board composition for the reporting period has been as follows:

Non-executive Chairman – Alan Campbell, a geologist and an experienced mining executive was appointed a director on 1 November 2018;

Non-executive director – Mark Calderwood, geologist with exploration and production experience, served as part-time executive chairman from July 2015 to June 2016, and non-executive Chairman till 31 October 2018;

CEO – Philip Reese, a metallurgist by training, was appointed in April 2016 and resigned on 23 October 2018;

CEO – Chris MacKenzie was appointed on 19 July 2018;

Non-executive director – David Kelly, a geologist and experienced company director, was appointed on 21 November; and

Non-executive director – Susmit Shah, a chartered accountant and experienced company director, was appointed on 26 May 2017.

	Non-executive Directors
Strategy and leadership • Business leadership • Strategic planning • Stakeholder engagement • Public listed company experience • Non-executive experience • Executive experience • Global economic conditions and mineral markets	X



**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

	Non-executive Directors
Mining Industry – Technical and General • Exploration • Mine development • Mining • African experience	X
Finance and Accounting • Corporate finance, capital markets, M&A • Accounting and Audit • Treasury and hedging • Taxation	X
Other • Legal and compliance • Governance and Risk management • Human resources and industrial relations	X

The Board will look to supplement its skills set as and when circumstances change, for example the commencement of development leading to mineral production at its mineral projects at which time mining engineering and production skills may be required as part of the mix.

Each director has the right of access to all relevant company information and to the Company's employees and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the Company's expense. The director must consult with an advisor suitably qualified in the relevant field and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

**Recommendation 2.3:**

*The Company should disclose the names of the directors considered to be independent directors and length of service of each director.*

The names, experience and responsibilities of Directors of the Company in office at the date of this statement are set out in the Directors' Report (including names of the directors considered to be independent directors and length of service of each director). Details of independent directors and length of service of each director are noted below.

Director	Office held	Independent
Alan Campbell (appointed 1/11/2018)	Non-executive Chairman	Yes
Mark Calderwood (appointed 17/10/2007)	Non-executive Chairman – up to July 2015 Executive Chairman – July 2015 to June 2016 Non-executive Chairman – July 2016 to October 2018	No
David Kelly (appointed 21/11/2016)	Non-executive director Non-executive director	No
Susmit Shah (appointed 26 May 2017)	Non-executive director	No

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

### **Recommendation 2.4:**

*A majority of the Board of the Company should be independent directors.*

In assessing whether a director is classified as independent, the Board considers the independence criteria set out in the ASX Corporate Governance Council Recommendation 2.1 and other facts, information and circumstances deemed by the Board to be relevant. Using the ASX Best Practice Recommendations on the assessment of the independence of Directors, the Board considers that only one of the Directors holding office during the reporting period can be considered to be independent and therefore the Company does not currently have a majority of independent directors. The Company considers that each of the directors possesses the skills and experience suitable for building the Company and that although the Company does not currently have a majority of independent directors, the current composition of the Board is appropriate for the Company's current size and operations.

The Board takes the responsibilities of best practice in corporate governance seriously. It is the Board's intention to review its composition on a continual basis as the Company expands its activities and greater demands and skills amongst Directors become necessary.

### **Recommendation 2.5:**

*The Chair of the Board should be an independent director and should not be the CEO of the Company.*

The Chairman, Mr Alan Campbell, is considered the "lead" Director and utilises his experience, skills and leadership abilities to facilitate the governance processes. Mr Campbell is an independent director. Prior to Mr Campbell's appointment on 1 November 2018, Mr Mark Calderwood served as a Non-Executive Chairman. However, as Mr Calderwood had previously served as an Executive Chairman, he cannot be considered an independent Director for the reporting period.

### **Recommendation 2.6:**

*The Company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The Board Charter provides for induction and professional development for the Board. The Company Secretary is tasked with coordinating the induction process for new directors. Such a process has not been formalised at this stage. In general terms, directors appointed to the Board in the past and more recently have pre-existing skills and experience as public company directors and a formal induction process is not considered a priority.

All directors are expected to maintain the skills required to discharge their duties as a director. The directors are all experienced directors who serve or have served on numerous public company boards and as such develop themselves professionally on a continuous basis. Members of the executive team brief the Board on relevant industry, financial, accounting, legal, compliance, governance and other developments.

## **Principle 3: Act ethically and responsibly**

### **Recommendation 3.1:**

*Companies should have a Code of Conduct for its directors, senior executives and employees.*

The Company has developed a Code of Conduct (the Code) which has been endorsed by the Board and applies to all employees, Directors and officers. The Code may be amended from time to time as necessary to ensure it reflects the practices necessary to maintain confidence in the Company's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders. The Code outlines the responsibility and accountability of Company personnel to report and investigate reports of unethical practices. A copy of the Code is available on the Company's website.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

### *Securities Trading Policy*

Trading in Company securities is regulated by the Corporations Act and the ASX Listing Rules. The Board makes all Directors, officers and employees aware on appointment that it is prohibited to trade in the Company's securities whilst that Director, officer or employee is in the possession of price sensitive information.

Manas has adopted a policy that Directors, employees, advisers and consultants (Applicable Persons) and their related parties (spouses, de facto spouses, parents and children) (Related Persons) are aware of legal restrictions in dealing in Company securities while in possession of unpublished price sensitive information.

Under this policy Applicable Persons and Related Persons should:

- not engage in short-term trading of Manas securities
- not deal in Manas securities while in possession of Inside Information
- in certain circumstances, notify the Company Secretary of any intended transactions involving Manas securities; and
- ensure any of their buying or selling of Manas securities occurs outside of Closed Periods unless prior written clearance is obtained in accordance with this policy.

Securities interests of Directors and other key management personnel are disclosed in Annual Reports. Securities interests of Directors are also reported to the ASX as and when changes take place.

### *Anti-bribery and Corruption Compliance*

Manas recognises that Directors, officers, employees and third parties operating outside of Australia have a special responsibility to know and obey laws and regulations of countries where they operate and to conduct themselves in accordance with local business practices.

Manas recognises that laws, regulations, business practices and customs vary throughout the world and that in certain cases these may vary in the different jurisdictions in which Manas and its subsidiaries operate from those in Australia. Notwithstanding, in particular, the Manas Group and its Directors, officers, employees and third parties must comply with all applicable laws relating to foreign corrupt practices, including the relevant laws within Australia and the jurisdictions in which it carries out its exploration activities.

Manas provides Anti-Bribery and Corruption Compliance training to all employees and consultants.

## **Principle 4: Safeguard Integrity in Financial reporting**

### **Recommendation 4.1**

*The Board should have an Audit Committee.*

The Company does not have an Audit committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of an Audit committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate Audit committee. The Company's stage of development and a focus on reducing corporate and overhead costs means that it is not in a position to comply with the CGC guidelines in this respect.

The Company requires external auditors to demonstrate quality and independence. The performance of the external auditor is reviewed and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

The audit engagement partner from auditors, HLB Mann Judd is subject to rotation rules under the Corporations Act.

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**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

**Recommendation 4.2**

*The Board of the Company should, before it approves the Company's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Chief Executive Officer and the Company Secretary, acting in the capacity of CFO, have declared in writing to the Board that the Company's financial statements for the year ended 31 December 2018 present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards, that this is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively. This representation is made by the Chief Executive Officer and the Company Secretary prior to the Director's approval of the release of the annual and half yearly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

**Recommendation 4.3**

*The Company should ensure that the external auditor is present at the AGM and be available to answer questions from security holders relevant to the audit.*

The external auditor is required under the Corporations Act to attend the Company's Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report. The Company's external auditor has been in compliance with this requirement.

**Principle 5 – Make timely and balanced disclosure**

**Recommendation 5.1:**

*Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.*

The Company has not developed a formal ASX Listing Rules Disclosure Strategy. The Company's directors have a long history of involvement with public listed companies and are familiar with disclosure requirements of the ASX listing rules and the Corporations Act.

The Company has in place informal procedures, including discussion about disclosure matters at all formal and informal Board and management meetings, which it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. The Board has nominated the Chairman and the company secretary as being responsible for all matters relating to disclosure.

**Principle 6 – Respect the rights of security holders**

**Recommendation 6.1:**

*Companies should provide information about itself and its governance to investors via its website.*

The Company is committed to maintaining a Company website with general information about the Company and its operations, information about governance and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by the ASX, the following are posted to the Company's website:

- relevant announcements made to the market via the ASX;
- notices of meetings;
- investment updates;
- company presentations and media releases;
- copies of press releases and announcements for (at least) the preceding three years; and
- copies of annual, half-yearly and quarterly reports including financial statements for (at least) the preceding three years.

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**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

**Recommendations 6.2 and 6.3:**

*Companies should design and implement an investor relations program to facilitate two-way communication with investors.*

*Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Non-Executive Chairman and the CEO make themselves available to meet shareholders and regularly respond to enquiries made via telephone or email. The CEO also completes periodic investor presentations to facilitate engagement with investors and other financial market participants. From time to time other directors and nominated senior management will also engage with shareholders and investors generally.

The Board encourages full participation of shareholders at the Annual General Meeting. In preparing for general meetings of the Company, the Company drafts the notice of meeting and related explanatory information so that shareholders are provided with all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. The Company allows shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting. The external auditor of the Company is asked to attend each annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Important issues are presented to the shareholders as single resolutions. The shareholders are also responsible for voting on the appointment of Directors.

**Recommendation 6.4:**

*Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Information about the Company is regularly emailed to all shareholders who lodge their email contact details with the Company. Information on lodging email addresses and on submitting information requests with the Company is available on the Company's website. Shareholders can receive communications from, and send communications to, the Company's security registry electronically.

**Principle 7 – Recognise and manage risk**

**Recommendation 7.1:**

*The Board should have a committee or committees to oversee risk.*

The Company is not currently of a size to require the formation of committees to oversee risk. The full Board has the responsibility for the risk management, compliance and internal controls systems of the Company.

Senior management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. The Company's risk management policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the Company's business. The Company adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. The risks involved in a resources sector company and the specific uncertainties for the Company continue to be regularly monitored. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal.

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**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

**Recommendation 7.2:**

*The Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose whether such a review has taken place.*

The Board considers risks and discusses risk management at each Board meeting. Review of the risk management framework is an on-going process rather than an annual formal review. The Company's main areas of risk include:

- capital requirement and future funding;
- geological and technical risk posed to exploration and commercial exploitation success;
- sovereign risk, change in government policy, change in mining and fiscal legislation;
- prevention of access by reason of inability to obtain regulatory or landowner consents or approvals, or native title issues;
- retention of key staff;
- change in metal market conditions;
- adverse weather events; and
- mineral title tenure and renewal risks.

**Recommendation 7.3:**

*The Company should disclose if it has an internal audit function.*

The Company does not have an internal audit function. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of an internal audit function at this time. The Board as a whole regularly evaluates and improves the effectiveness of its risk management (refer above) and internal control processes.

**Recommendation 7.4:**

*The Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Company is of the view that it has adequately disclosed the nature of its operations and relevant information on exposure to economic, environmental and social sustainability risks. Other than general risks associated with the mineral exploration industry, the Company does not currently have material exposure to environmental and social sustainability risks.

**Principle 8 – Remunerate fairly and responsibly**

**Recommendation 8.1:**

*The Board should have a Remuneration Committee.*

The Company does not have a remuneration committee

The Board as a whole addresses the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board has been considering those matters that would usually be the responsibility of a remuneration committee.

**Recommendation 8.2:**

*Companies should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company provides disclosure of all Directors and executives remuneration in its annual report.

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**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

The remuneration policy of the Company has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company. Directors' remuneration is approved by resolutions of the Board. The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

*Non-Executive Directors*

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Payments to the Non-Executive Directors are reviewed annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Non-Executive Directors are entitled to receive incentive options or securities (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

*Executives*

The senior executives of the Company during the reporting period were the Chief Executive Officer and the Company Secretary. The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, the remuneration of senior executives may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any option or securities incentive scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interests of senior executives with those of shareholders and increase performance. The value of shares and incentive securities granted to senior executives is calculated using the Black-Scholes pricing models as described in the Financial Statements.

The objective behind using this remuneration structure is to drive improved performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, incentive share options and other incentive payments (none were paid or declared payable during the reporting period).

For details of remuneration paid to Directors and officers for the financial year please refer to the Remuneration Report forming part of the Directors' Report and the Financial Statements generally.

**Recommendation 8.3:**

*A Company which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or summary of it.*

The Company has equity-based remuneration schemes which are affected by this recommendation. Recipients of equity-based remuneration (eg. incentives options or performance rights) both within the terms of the Employee Option Plan / Performance Rights Plan and outside any specific plan are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

The shareholder information set out below was applicable as at 27 March 2019.

### **Substantial Shareholders**

Holdings of substantial shareholders as advised to the Company are set out below.

#### **Name of Holder**

Resolute Mining Limited	682,484,709
Philip Reese	141,516,380

### **Distribution of Holders of Equity Securities**

<b>Size of Holding</b>	<b>Total Holders</b>
1 to 1,000	58
1,001 to 5,000	66
5,001 to 10,000	122
10,001 to 100,000	393
100,001 and over	741
	<u>1,380</u>

The number of shareholdings comprising less than a marketable parcel was 708.

### **Voting Rights**

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options has any voting rights.

### **Twenty Largest Shareholders**

	<b>Number of Shares</b>	<b>% Held</b>
Resolute Treasury Pty Ltd	523,899,835	19.82
Reese Philip	141,516,380	5.35
BNP Paribas Nominees Pty Ltd	135,072,360	5.11
Perseus Mining Limited	116,143,837	4.39
Resolute Treasury Pty Ltd	79,294,874	3.00
Resolute Mining Ltd	79,290,000	3.00
Li Pei	47,050,000	1.78
Lambos Nicholas James	44,503,333	1.68
Sheraton Lake Pty Ltd	32,854,858	1.24
HSBC Custody Nominees Australia Ltd	32,668,579	1.24
ESM Limited	30,000,000	1.14
HSBC Custody Nominees Australia Ltd	28,997,289	1.10
Skink Resources Ltd	28,670,626	1.08
Stormclassic Pty Ltd	27,967,055	1.06
Citicorp Nominees Pty Ltd	24,585,113	0.93
JP Morgan Nominees Australia Pty Ltd	24,316,256	0.92
Reese Thomas	22,500,000	0.85
Calderwood Mark Andrew	22,113,117	0.84
Jetosea Pty Ltd	20,000,000	0.76
Chiera Leon and Julie-Anne	18,750,000	0.71
	<u>1,480,193,512</u>	<u>56.00%</u>



**Mineral Interests of the Manas Group as at 27 March 2019**

**Côte D'Ivoire**

Manas has concluded farm in agreements on one granted permit and five permit applications in Côte d'Ivoire, West Africa.

*Manas Project Areas: Côte d'Ivoire*

Status <sup>1</sup>	Permit Number	Permit Name	Project Name	Manas Participating Interest <sup>2</sup>	Area <sup>3</sup>
Granted – under renewal	PR272	Mbengué	Mbengué	70%	300 km <sup>2</sup>
Application	PR575	Bouaké Nord	Eburnea	80%	385 km <sup>2</sup>
Application	PR584 2	Bouaké Sud	Eburnea	80%	92km <sup>2</sup>
Application	PR590	Foleu	Gonsan	85%	398 km <sup>2</sup>
Application	PR588 2	Toulepleu	Gonsan	85%	396 km <sup>2</sup>
Application	PR591	Toulepleu Sud	Gonsan	85%	387 km <sup>2</sup>

Note:

1. Details of all permits as per the government flexicadastre portal:

<http://portals.flexicadastre.com/CoteDivoire/FR/>

2. Manas has the right to earn up to this level on expending the funds stated in the relevant agreement

3. Areas may change on issuing / renewal of permits