



NOTICE OF GENERAL MEETING

– and –

PROXY FORM

DATE AND TIME OF MEETING:
14 December 2016 at 11.00am WST

VENUE:

Level 2 Suite 9, 389 Oxford Street,
Mount Hawthorn, Western Australia 6016

These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.



ACN 128 042 606

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting (“Meeting”) of Manas Resources Limited (“Manas” or the “Company”) will be held on 14 December 2016 commencing at 11.00am WST at Level 2 Suite 9, 389 Oxford Street, Mount Hawthorn, Western Australia 6016.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions

1. Resolution 1 – Disposal of Interest in Manas Holdings (Kyrgyz) Pty Ltd

To consider and, if thought fit, to pass, with or without amendment the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal by the Company of its interest in the share capital of and loan to Manas Holdings (Kyrgyz) Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

***Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

2. Resolution 2 – Ratification of Share issue

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 189,509,503 Shares in June 2016 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

3. Resolution 3 – Ratification of Share issue

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 175,695,831 Shares in June 2016 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

4. Resolution 4 – Ratification of Share issue

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 19,498,300 Shares in August 2016 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Voting Exclusions and Explanatory Notes

Resolution 2, 3 and 4 Voting Exclusion: The Company will disregard any votes cast on these Resolutions by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

How the Chair will vote available proxies

The Chair of the Meeting intends to vote all available proxies in favour of all of the resolutions set out in the Notice.

Default to the Chair

Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote those proxies as directed.

Registered Shareholders

A registered shareholder may attend the Meeting in person or may be represented thereat by proxy. In accordance with section 249L of the Corporations Act, shareholders are advised that:

- the proxy need not be a shareholder of the Company;
- each shareholder may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion; and
- a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Accordingly, if you are a registered shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy in accordance with the instructions contained in the form and return it in accordance with the following:

Registered Office: LEVEL 2, SUITE 9, 389 OXFORD STREET
 MOUNT HAWTHORN, WESTERN AUSTRALIA 6016

Facsimile Number: (61 8) 9380 6761

Email proxy@manasresources.com

Postal Address: P O Box 281, MOUNT HAWTHORN, WESTERN AUSTRALIA 6915

The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the Meeting (proxy forms can be lodged by facsimile or email).

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 7.00pm Sydney time on 12 December 2016 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD

S M Shah
Company Secretary
14 November 2016

Perth, Western Australia

MANAS RESOURCES LIMITED (ACN 128 042 606)

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of shareholders of Manas Resources Limited (“**Manas**” or the “**Company**”) in connection with the business to be conducted at a General Meeting to be held on Wednesday, 14 December 2016 at Level 2 Suite 9, 389 Oxford Street, Mount Hawthorn, Western Australia 6016 at 11.00am WST.

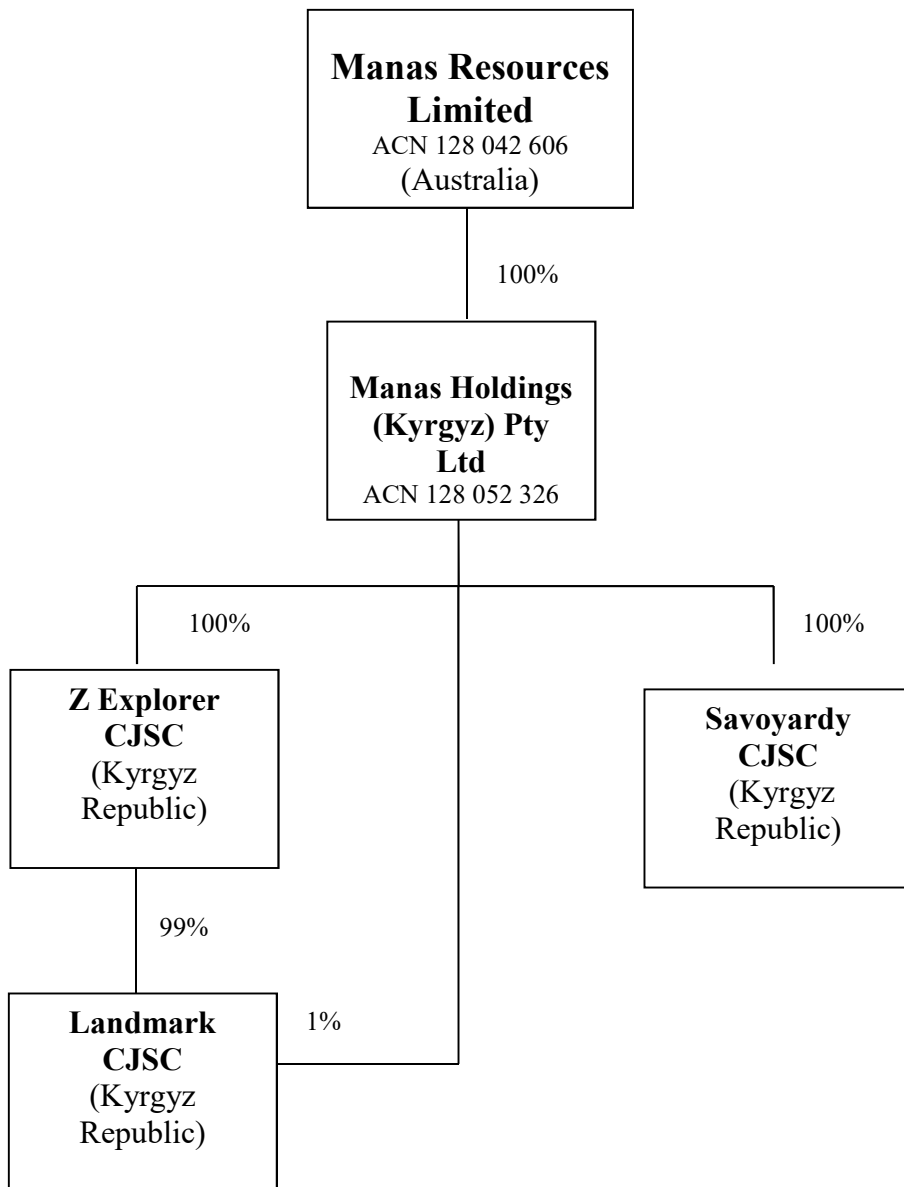
This Explanatory Statement should be read in conjunction with the accompanying Notice.

2. RESOLUTION 1 – Disposal of Interest in Manas Holdings (Kyrgyz) Pty Ltd

Background

On 31 August 2016, the Company announced to ASX that it entered into the Term Sheet for the disposal of its mineral interests in the Kyrgyz Republic (Disposal), primarily comprising the Shambesai Gold Project (SGP).

The Manas Group corporate structure is as follows:



Mineral Permits held by the Kyrgyz companies comprise:

- (i) Z Explorer CJSC Shambesai Mining Permit [3164 AE]
Isfairamsai [AP 235]
Tolubay [AR 2533 (Au-171-02)]
- (ii) Landmark CJSC Tashbulak [4188 AP]
- (iii) Savoyardy CJSC Savoyardy [3719 AR (Au-87-04)]

The Shambesai mining permit, forming part of the SGP, is excised from within the greater Isfairamsai exploration permit. The Obdilla deposit is located in the Tolubay exploration permit.

The Term Sheet the subject of the Company's announcement on 31 August 2016, refers to a binding terms sheet ("") entered into between the Company and Chinese State Owned Enterprise, Guizhou Geological and Mineral Resources Development Company Limited ("GGMRD"), a company registered in Guiyang, capital city of the Guizhou Province, China and listed on the National Equities Exchange and Quotations ("NEEQ") in China. The Term Sheet transaction is for the sale of shares held by the Company in Manas Holdings (Kyrgyz) Pty Ltd ("MHKL") to GGMRD as well as the assignment of a loan to MHKL to GGMRD.

The Term Sheet required the parties to enter into a long form share sale and purchase agreement ("SPA") the terms of which must be negotiated in good faith consistently with the terms of this Term Sheet but which would contain representations, warranties and indemnities customary of a transaction of this nature. The Term Sheet also contemplated the preparation of a deed of novation ("Loan Novation Deed"), under which the loan from the Company to MHKL would be assigned to GGMRD. For the purposes of this Notice, the SPA and the Loan Novation Deed are collectively referred to as the "Transaction Documents". The Term Sheet also provided for GGMRD to assign its rights and obligations to an entity controlled by it.

On 10 November 2016, the Company, MHKL, GGMRD and Tiandi International Mining Co., Limited ("Tiandi") executed the Transaction Documents. As contemplated by the Term Sheet, GGMRD has assigned its rights and obligations to its controlled entity, Tiandi, an entity newly registered in Hong Kong. In the Transaction Documents, to the extent necessary, GGMRD guarantees the obligations and performance of Tiandi.

Key terms of the Transaction Documents are as follows:

Assets to be disposed by the Company

- (a) Tiandi has agreed to buy and the Company has agreed to sell 100% of the shares of MHKL free from all encumbrances and securities interests ("Share Sale"); and
- (b) The Company has agreed to assign to Tiandi its rights to be repaid and all other rights pursuant to a loan given by the Company to MHKL ("Loan Assignment") at completion. All amounts due and payable under the loan will be payable to Tiandi by MHKL, and MHKL will be discharged from all obligations to pay the Company in respect of the loan (the Company has funded exploration activity on the Kyrgyz mineral properties since 2008 by providing loan funds to MHKL, which entity in turn on-lends to the Kyrgyz subsidiaries). As at 10 November 2016, the relevant loan amount due to the Company by MHKL is US\$31.9M (the loan balance is denominated in US dollars and the Australian dollar equivalent is \$41.65M). The actual balance at the time of completion and settlement will be a higher amount as the Company is required to continue funding the Kyrgyz operations on a normal basis until that time (it is estimated that the relevant loan amount at completion will be approximately US\$32M).

Sale Consideration

The total purchase price payable by Tiandi is US\$10,000,000 (approximately AUD\$13.5M at the exchange rate of 0.759 at the date of preparing this Notice) and that amount will be allocated as follows:

- (a) US\$9,999,999 in respect of the assignment of Loan Assignment from the Company to Tiandi; and
- (b) US\$1 in relation to the Share Sale.

Excluded Asset

MHKL's shares in and loan to wholly owned subsidiary, Savoyardy CJSC are excluded from the sale transaction with Tiandi under the terms of the Transaction Documents. Savoyardy CJSC's only asset is the Savoyardy exploration permit.

Prior to the sale negotiations with GGMRD, the Company had been engaged in negotiations for the sale of MHKL's shares in and the loan to Savoyardy CJSC to a separate party. These separate negotiations concluded at around the same time as the GGMRD negotiations and both transactions were announced concurrently on 31 August 2016.

The sale of the shares in and loan to Savoyardy CJSC by MHKL is expected to complete prior to the completion and settlement of the transaction with Tiandi. The purchase price for the share sale and loan assignment is US\$500,000 and a deposit of US\$50,000 has been received. Savoyardy CJSC is a non-core asset of the Manas Group and the carrying value of the Savoyardy mineral property in the accounts of the Manas Group has been nil since December 2013 after the Manas Group recognised an impairment charge for the full amount of the previously capitalised Savoyardy exploration expenditure in the financial period ended 31 December 2013.

Deposit

Following execution of the Term Sheet, an amount of US\$500,000 ("Deposit") was received by the Company from GGMRD as a deposit against the purchase price of US\$10M. At completion, Tiandi will be required to pay the balance of US\$9,500,000.

The deposit is refundable to Tiandi under any of the following circumstances:

a	During an initial period (of defined length) for a material breach of the Term Sheet by the Company or if a due diligence investigation is not completed to the reasonable satisfaction of GGMRD for any reason.	The Deposit is fully refundable. This condition has since been satisfied and is no longer a defeating condition.
b	There is a breach of warranty by the Company that goes to title or authority to sell MHKL.	The Deposit is fully refundable and the Company must pay a fee of US \$300,000 ("Break Fee") in addition.
c	GGMRD / Tiandi is unable to secure approval from its shareholder, or Chinese regulatory approvals in respect of the transaction to acquire MHKL before 16 December 2016 ("Sunset Date").	The Company must return the Deposit less the Break Fee.
d	GGMRD / Tiandi is unable to secure Australian Foreign Investment Review Board (FIRB) approval if required (subject to GGMRD having used reasonable endeavours to obtain FIRB approval, if required).	The Deposit is fully refundable.
e	If the Company is unable to secure the required shareholder approval in respect of the sale of MHKL prior to the Sunset Date.	The Deposit is fully refundable and the Company must pay the Break Fee in addition.
f	A force majeure event occurs which continues for more than 30 days which despite the exercise of reasonable and prudent effort, the affected party is not reasonably able to prevent or overcome and which has the effect of preventing the party from performing a material obligation under the Term Sheet and / or the SPA.	The Deposit is fully refundable

Approvals required by GGMRD / Tiandi

As a Chinese State owned enterprise, GGMRD is required to obtain approval from its shareholders as well as approvals from a number of different regulatory agencies within China for a transaction of this nature. GGMRD will require approval from the Guizhou Development & Reform Commission, Guizhou Provincial Department of Commerce, State-owned Assets Supervision and Administration Commission of Guizhou Province, and State Administration of Foreign Exchange, Guizhou Branch. These agencies deal with different aspects of acquisitions and investments proposed to be undertaken by state owned enterprises. The Company's understanding is that these agencies are not required to assess the commercial terms or merits of the transaction but rather that the transaction falls within the broad policy framework for foreign investment by state owned enterprises.

Application has been made to the State-Owned Assets Supervision and Administration Commission and approval is expected before the end of November. Following that, approval will be sought from Guizhou Provincial Department of Commerce and State Administration of Foreign Exchange, which approvals would be expected prior to the Sunset Date. The role of Guizhou Development & Reform Commission is primarily for notification purposes after approval is received from the State-Owned Assets Supervision and Administration Commission.

Manas has also been advised by GGMRD / Tiandi that an application has already been made by them for Foreign Investment Review Board ("FIRB") approval for the purposes of (Australian law) Foreign Acquisitions and Takeovers Act 1975. The Company believes FIRB approval, if necessary, would be a formality given the overseas nature of the underlying assets.

Approvals required by the Company

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders. The Company's Constitution imposes a similar requirement.

Since its listing on the ASX in 2008, the exploration and development studies of the Kyrgyz mineral assets has been the Company's main undertaking. The majority of Shareholder funds raised from time to time have been expended on the Kyrgyz mineral assets. The Shambesai Gold Project, in particular, has been the focus of the Company's efforts. The Company's (or the Manas Group's) Balance Sheets at the various reporting dates evidence that the Kyrgyz assets are the Company's main undertaking. Consequently, the requirements of ASX Listing Rule 11.2 and the Company's Constitution apply and Shareholder approval is required prior to the Company completing the transaction.

Resolution 1 seeks Shareholder approval for the disposal of the Company's interest in Manas Holdings (Kyrgyz) Pty Ltd, comprising the shares in and the loan to that entity.

Completion and Settlement

Completion and settlement procedures for this transaction are similar to those customary for transactions of this nature, including the payment and receipt of the remaining purchase price of US\$9.5M, appointment of new office bearers for MHKL, resignation of the existing office bearers of MHKL, transfer of shares in MHKL to Tiandi, and a handover of all records of MHKL to Tiandi. Subject to receipt of all approvals, the parties anticipate that completion and settlement will occur just prior to the Christmas 2016 break.

Representation, Warranties and Indemnities

Representations made and warranties provided by each party are again customary for a transaction of this nature. Key warranties provided by the Company include the following:

- MHKL is in good standing
- Z-Explorer CJSC and Landmark CJSC are in good standing, have legal and beneficial title to the mineral permits and those permits are in good standing
- The shares in MHKL, Z-Explorer CJSC, Landmark CJSC and all assets of these entities including the mineral permits are unencumbered and not the subject of any legal actions or claims
- To the best of the Company's knowledge, it has disclosed to GGMRD / Tiandi all the information it possesses concerning MHKL and its assets which the Company considers a prudent and reasonable purchaser experienced and competent in operating and managing assets of the same nature would require as a buyer
- all information relating to reserves and resources of the Shambesai deposit and resources of the Obdilla deposit disclosed to ASX are calculated, measured and presented in compliance with the JORC Code
- there are no material contracts or liabilities in relation to MHKL, Z-Explorer CJSC, and Landmark CJSC that have not been disclosed to GGMRD / Tiandi which are integral to those entities operations or which could materially affect the financial position of those entities

The indemnity provided by the Company to Tiandi is again customary for a transaction of this nature and is capped at the transaction value of US\$10M, for an indemnity period of 18 months following completion.

The Directors consider the warranties and indemnities provided by the Company to be reasonable in the circumstances and customary for a transaction of this nature.

Financial effect of the sale on the Company

The impact of the disposal of the shares in and loan to MHKL on the Company's balance sheet is set out in the pro forma balance sheet contained in Schedule 1. At 30 June 2016, the reporting date for the Manas Group's last publicly disclosed financial statements, the net assets of the Manas Group were stated at AUD\$13.25M. The carrying value of the exploration assets (ie the Kyrgyz mineral properties) had been written down to AUD\$13.16M in recognition of the fact that subsequent to the reporting date, the Company had entered into a sale transaction for the Kyrgyz assets for consideration of US\$10M. Consequently, by reference to the 30 June 2016 Balance Sheet, the key impact will be the replacement of the exploration assets by a cash amount of US\$10M ((approximately AUD\$13.5M at the date of preparing this Notice). There will be a relatively minor change arising from the adjustment of the other assets (mainly plant and equipment, inventory, minor receivables and cash) and liabilities (trade creditors and employee entitlements) relating to MHKL, Z-Explorer CJSC and Landmark CJSC as the ownership of those entities passes to Tiandi.

There will be no impact on the capital structure of the Company.

Reasons for disposal

The Directors believe that the following non-exhaustive list of reasons explain why the disposal is in the best interests of the Company.

The Company announced the results of a feasibility study for the Shambesai Gold Project in late May 2013. Soon after, it formally commenced the process of appointing professional advisors, including investment bankers, to procure project finance for the development, mining and production at SGP. Numerous institutions were approached locally in Australia as well as overseas project financiers in Europe, China, Russia, North America, the United Kingdom, Singapore and Hong Kong. These included family funds as well as sovereign funds focussed on the mining sector. Whilst the consistent feedback from these parties was that the SGP has excellent technical and economic merit, the perceived sovereign risk in the country was a disincentive to providing project finance.

During the course of the negotiations referred to in the preceding paragraph, the Company concluded that there may be a greater appetite for an outright purchase of the SGP and / or the possibility of introducing a joint venture partner or a cornerstone investor whose interest is both an equity position as well as provision of project finance. Consequently, most of 2015 and 2016 year to date has been focussed on this dual strategy of an outright sale or introduction of a joint venture partner / cornerstone investor whichever provides the best outcome for the Shareholders. All through this period the Company has publicised this approach to Shareholders and the ASX.

Equity funding for the development of the SGP has also been considered by the Directors at various times in view of the difficulties in procuring debt finance. However, the significant deterioration of the Company's market capitalisation, particularly since mid-2014 has meant that equity funding [even if that quantum of funds (approximately US\$30m) were available] would result in a massive dilution of existing Shareholders. Therefore, the focus has been on the dual strategy referred to in the preceding paragraph.

In late June 2016, the Company announced the proposed acquisition of the Victoria Gold Project ("VGP") in Tanzania. The VGP with a significant land holding of approximately 350km², identified areas of gold mineralisation and excellent exploration upside, strategically located near several established mining operations in the multi-million ounce Lake Victoria Gold, presents as a good opportunity for the Company. The acquisition remains subject to ongoing technical, legal and financial due diligence which activities are being progressed as expeditiously as possible. Disposal of the Kyrgyz assets will enable the Company to focus on the VGP.

Advantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed disposal:

- a) The Company will receive cash consideration of US\$10 million on completion of the sale transaction;
- b) If the Company desists from the sale and continues in its search for a suitable financier for the development of the SGP (an exercise which has been ongoing for some time now with no tangible results), existing Shareholders would be subject to significant dilution in order to meet the equity component of the financing conditions;
- c) In the absence of a sale in the near future, the Company would again have to raise equity funds in order to provide working capital for the Kyrgyz operations. The Directors are strongly of the view that there would be little or no appetite for further equity investment in the Company in such circumstances; and
- d) A successful sale of the Kyrgyz assets would enable the Company to focus its efforts on the Victoria Gold Project subject to completion of due diligence.

Disadvantages

The Directors believe that the key disadvantage relevant to a Shareholder's decision on how to vote on the proposed disposal is as follows:

The Company will not be able to participate in any future potential profits from the development of the Kyrgyz assets and, in particular, the Shambesai Gold Project. As late as February 2016 (refer ASX announcement dated 22 February 2016 and prior announcements cross-referenced in that announcement¹), the Company estimated a net present value of US\$83M for the SGP after taking into account the capital and operating cost adjustments based on a US\$1,100 per ounce gold price and an 8% discount rate. If the sale to GGMRD is successfully completed, Shareholders will not have been able to benefit from the greater upside that the SGP development potentially offers.

¹ *The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 22 February 2016 and that all material assumptions and technical parameters underpinning the ore reserves estimate, production target and forecast financial information continue to apply and have not materially changed.*

Independent Assessment of the transaction

GGMRD is a Chinese State owned enterprise, which has had no prior relationship with the Company. It is not a related party and the proposed sale transaction does not require independent assessment (and the provision of an independent report) for the purposes of the ASX Listing Rules or the Corporations Act. The Directors did consider whether to appoint an independent expert to assess the transaction to assist Shareholders in their decision making. However, the Directors concluded that the expense and time for such an exercise were not warranted and not in the best interests of the Shareholders.

An independent expert would have used a number of criteria to assess the sale value of the transaction:

- Net present value (NPV) of the key asset, the Shambesai Gold Project. As noted in the preceding section the February 2016 assessment by the Company was an NPV of US\$83M. The sale price of US\$10M is considerably less than the NPV, however an immediate sale removes the uncertainty around availability of project funding, timing of project funding, technical risks of development and mining and any future deterioration in economic parameters such as the gold price and production costs.
- Market capitalisation – In the period prior to announcing the GGMRD transaction and ignoring the uplift in the market price of the Company's Shares as a result of the proposed acquisition of the Victoria Gold Project, the Company's market capitalisation was in the range of AUD\$4M to AUD\$8M. The sale transaction with GGMRD for a consideration amount of US\$10M (approximately AUD\$13.5M) provides a substantial premium to the market capitalisation. At the date of preparing this Notice, the Company's market capitalisation is around AUD\$10.5M, still considerably less than the GGMRD sale value of AUD\$13.5M.
- Alternative Buyers – there is no ready market for the sale of such assets. There are a limited number of prospective buyers of such mineral assets and the Company has expended considerable effort in all of 2015 and 2016 to date to identify a suitable buyer for the assets. A number of different intermediaries / consultants were engaged for this purpose over this period. The Directors are satisfied that the agreement negotiated with GGMRD presents as the best opportunity in the circumstances. The negotiations for the sale price with GGMRD were on an arm's length, robust and vigorous basis with the intention of extracting the best possible consideration price for the Company's benefit.

Other Matters for Consideration

The Directors believe that the commentary under this section is not directly relevant or germane to the specific question of whether or not to approve the sale of the MHKL assets to GGMRD / Tiandi on the terms and conditions noted above. However, the following commentary is provided for completeness purposes.

Transaction does not proceed to completion and settlement

If the sale transaction does not proceed to completion and settlement (be it because Shareholders do not approve it or GGMRD / Tiandi do not receive all the approvals they require), the consequences to the Company could be significant.

- Under the conditions of the Term Sheet, the Company was required to stop sale and / or joint venture discussions with all other parties. On termination of the transaction with GGMRD / Tiandi, the Company would have to resume discussions with other parties. After a hiatus of several months, this would be a difficult process to resurrect although the Company would have several leads to work with from prior to the announcement of the GGMRD transaction.
- As already noted earlier in the Explanatory Statement, if Shareholders do not approve the transaction, the Company would be required to return the deposit of US\$500,000 to Tiandi as well as pay the US\$300,000 Break Fee. Whilst the deposit amount has been quarantined by the Company, the payment of the Break Fee would cause significant stress on the Company's working capital.
- The Company would have to return to the equity market for ongoing funding. Again, as already stated earlier in the Explanatory Statement, the Directors believe there would be little or no appetite for further equity investment in the Company in such circumstances.

Transaction proceeds to completion and settlement

Subject to completion of due diligence with respect to the Victoria Gold Project (VGP), the Company's focus will turn to the VGP. Based on assessment to date, VGP exploration and development would require significant human and capital resources. Should the VGP opportunity not be pursued for any reason, the Board will look for further investment opportunities for the Company in the resources sector. No defined parameters have been determined at this stage, although it is more than likely that the Company would in that case be looking for an investment in a developing project as opposed to a grassroots one.

On completion of the transaction, the Company would be in receipt of US\$10M (approximately AUD\$13.5M). A summary of the use of funds would be as follows:

- US\$1.8M to complete the VGP acquisition.
- US\$4m to US\$6m for exploration at VGP over an approximate two year period, subject to results from ongoing exploration.
- The remainder as working capital including for the purposes of assessing other mining opportunities.

The above is a statement of intention and the actual use of funds can change based on actual results of exploration activity, changed circumstances and so on. Further and, in any case, the Board will also give consideration to a partial return of capital from the proceeds of sale to Tiandi.

Directors recommendation

Based on the information available and for the reasons noted above, each Director considers that the proposed disposal is in the best interests of the Company and recommends that the Shareholders vote in favour of Resolution 1.

A voting exclusion statement is included in the Notice.

3. RESOLUTIONS 2 and 3 – Ratification of Share issue

In July 2016, the Company completed a placement of an aggregate of 365,205,334 Shares to professional, sophisticated and other exempt investors at an issue price of \$0.0018 per Share to raise \$657,370 before expenses of the issue.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to both Resolution 2 and Resolution 3:

- 365,205,334 Shares were issued on 30 June 2016. 189,509,503 of those Shares were issued under the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1 with the remaining 175,695,831 Shares being issued under the Company's 10% placement capacity in accordance with ASX Listing Rule 7.1A;
- the issue price for the Shares was \$0.0018 each;
- the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- the Shares were issued to sophisticated and professional investors under a placement, managed by Somers and Partners Pty Ltd. None of the subscribers were related parties of the Company; and
- the proceeds of the placement were to fund the deposit payment and due diligence required in relation to the proposed acquisition of the Victoria Gold Project in Tanzania and to supplement working capital.

Voting exclusion statements with respect to Resolutions 2 and 3 are included in the Notice.

4. RESOLUTION 4 – Ratification of Share Issue

In August 2016, the Company issued 19,498,300 Shares to the Company's CEO, Mr Phil Reese in settlement of outstanding fees of \$58,495.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- 19,498,300 Shares were issued on 12 August 2016;
- The Shares were issued for nil cash consideration in satisfaction of outstanding fees owing to Mr Phil Reese at a deemed issue price of \$0.003 each;
- the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- the Shares were issued to the Company's CEO, Mr Phil Reese; and
- no funds were raised by the issue of the Shares to Mr Phil Reese.

A voting exclusion statement with respect to Resolution 4 is included in the Notice.

Ratification of Resolutions 2, 3 and 4 will have the effect of replenishing the Company's discretionary 15% and 10% placement capacity.

GLOSSARY

General Meeting or **Meeting** means the meeting convened by the notice.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Manas Resources Limited (ACN 128 042 606).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory Statement accompanying the Notice.

GGMRD means Chinese State owned enterprise, Guizhou Geological and Mineral Resources Development Company Limited.

MHKL means Manas Holdings (Kyrgyz) Pty Ltd ACN 128 052 326, a wholly owned subsidiary of the Company.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Term Sheet means a binding terms sheet entered into between the Company and GGMRD on 26 August 2016 for the sale by the Company of its shares in MHKL and the assignment of its loan to MHKL.

US\$ means United States dollars.

WST means Western Standard Time as observed in Perth, Western Australia.

Manas Resources Limited
Pro Forma Balance Sheet

	30 June 2016	
	Pre-Disposal (Actual)	Pro-Forma
	A\$	A\$
ASSETS		
Current Assets		
Cash and cash equivalents	339,414	14,476,134
Trade and other receivables	46,377	18,599
Inventories	7,788	-
Total Current Assets	<u>393,579</u>	<u>14,494,733</u>
Non-Current Assets		
Property, plant & equipment	202,441	4,930
Other assets	269,582	269,582
Exploration and evaluation expenditure	13,160,000	-
Total Non-Current Assets	<u>13,632,023</u>	<u>274,512</u>
Total Assets	<u>14,025,602</u>	<u>14,769,245</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	775,734	354,737
Total Current Liabilities	<u>775,734</u>	<u>354,737</u>
Total Liabilities	<u>775,734</u>	<u>354,737</u>
Net Assets	<u>13,249,868</u>	<u>14,414,508</u>
Equity		
Issued capital	51,699,077	51,699,077
Reserves	618,994	3,856,954
Accumulated losses	(39,068,204)	(41,141,522)
Total Equity	<u>13,249,868</u>	<u>14,414,508</u>

Notes:

The pro-forma statement of financial position has been prepared based on the Manas Group's actual position at 30 June 2016 and assumes the disposal of the interest in Manas Holdings (Kyrgyz) Pty Ltd and its Kyrgyz subsidiaries (including Savoyardy CJSC) as if that had occurred on 30 June 2016.

Completed Proxy can be lodged:

BY MAIL: **Level 2, Suite 9, 389 Oxford Street,
Mount Hawthorn,
Western Australia 6016**
Or
**P O Box 281
Mount Hawthorn, Western Australia
6915**

BY FAX: **(61 8) 9380 6761**

EMAIL: proxy@manasresources.com

For your vote to be effective, the completed proxy form must be received by 11am (Perth time), Monday, 12 December 2016

How to complete the Proxy Form

1 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

4 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the time of the General Meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINTMENT OF PROXY

I/We being a member/s of **Manas Resources Limited** and entitled to attend and vote hereby appoint

The Chairman
of the Meeting
(mark with an "X")

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding your own name) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Manas Resources Limited to be held on 14 December 2016 and at any adjournment of that meeting.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on each Resolution by marking the appropriate box below under **VOTING DIRECTIONS (STEP 2)**. In the absence of any specific direction, the Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

PLEASE MARK TO INDICATE YOUR DIRECTIONS

For Against Abstain*

Resolution 1 – Disposal of Interest in the Share Capital of Manas Holdings (Kyrgyz) Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – R Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all undirected proxies in favour of each item of business

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGN

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Dated: ___/___/2016