MANAS RESOURCES LIMITED

ABN 23 128 042 606

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 December 2016 and any public announcements made by Manas Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity comprising Manas Resources Limited ("Manas" or the "Company") and its controlled entities (collectively the "Group" or "Consolidated Entity") for the half-year ended 30 June 2017. The directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Mark Calderwood	Non-Executive Chairman
David Kelly	Non-Executive Director
Susmit Shah	Non-Executive Director (appointed 26 May 2017)
Justin Lewis	Non-Executive Director (retired 26 May 2017)

Results

The consolidated loss for the half-year after tax was $1,196,930 (6 months ended 30 June 2016: loss $19,483,685). The loss for the half-year was significantly impacted by an unrealised foreign exchange loss of just under $0.8 million. The loss for the previous half-year included an impairment charge of $18.54 million against the then existing Kyrgyz exploration assets, recorded in recognition of an agreement for the sale of those assets entered into soon after the reporting date of 30 June 2016.

Review of Operations for the Half-Year

Victoria Gold Project (VGP)

During the reporting period, the Company's focus was on the acquisition of the Victoria Gold Project, which comprises a strategic holding of some 38 licenses covering over 250km2 within the prolific Lake Victoria Gold Field of northern Tanzania.

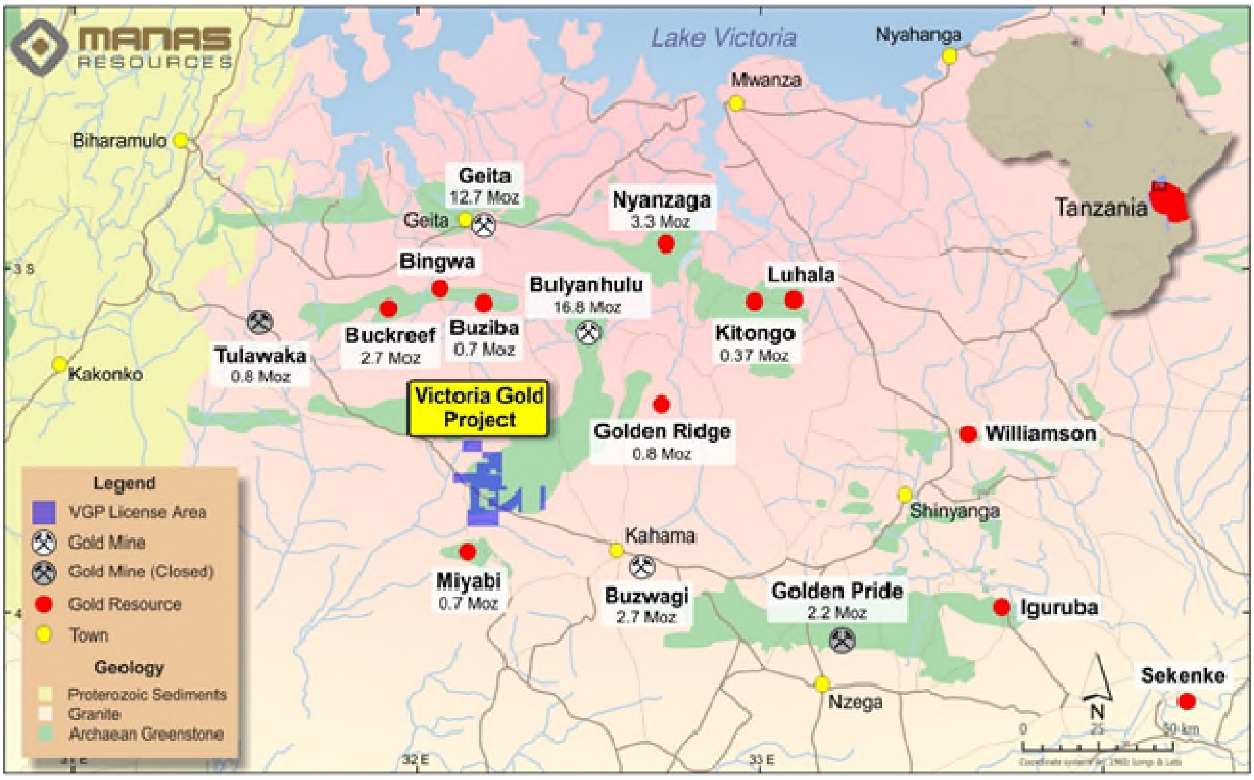
On 13 April 2017, formal agreements ("Agreements") for the acquisition of the Victoria Gold Project ("VGP") in Tanzania were signed ("Transaction"). The Agreement terms are similar to the revised terms disclosed to the ASX on 31 January 2017.

In summary, the cash consideration for the acquisition of the wholly owned VGP licenses and physical assets is US$2.0 million, with a US$200k non-refundable deposit and US$0.8 million pre-payment made immediately following signing of the Agreements. The remaining US$1.0 million is payable at completion of the Transaction, once all wholly owned licenses are transferred to subsidiaries under the control of Manas.

Subject to shareholder approval, Manas will also issue US$2 million of performance rights which will vest into fully paid ordinary shares in Manas at a deemed issue price of A$0.002 per share upon transfer of other key licenses which are not wholly owned.

The execution of the Agreements allowed Manas to commence a more detailed technical evaluation program of the VGP. Accordingly, Manas signed a loan agreement with Mabangu Mining Limited to allow the Company to fund up to US$0.5 million on initial operations at the VGP until completion. Following signing of the agreement in early April, Manas has taken operational control of the VGP and has commenced a comprehensive technical review of previously conducted exploration and feasibility work.

A site geological team has been established and is currently re-logging drill core, updating interpretations of the gold deposits and generating new geological models. Manas is also proceeding with a re-evaluation of the historical resource estimates reported by previous owners, which will provide a basis for the future evaluation of the economic potential of the VGP.



Location and geological setting of the Victoria Gold Project (license area is indicative and subject to change)

At the time of this report, Manas with the assistance of its legal advisers was also conducting a review on the potential impact arising from the legislative amendments with respect to the legal and regulatory framework governing the natural resources sector in Tanzania. The legislation is in the form of three bills, all of which were passed by the Tanzanian Parliament on 3 and 4 July 2017. The legislation has been assented to by the President and now operate as law.

Initial reviews of this legislation indicate that while it will have a limited direct impact on companies conducting exploration activities, it is likely to slow the finalization of the Transaction while a new Mining Commission tasked with overseeing issuing licenses is formed. Any ongoing impact of the legislation on project developments such as might exist within the VGP area will remain unclear until the detailed regulations are developed, which will be used to back-up the new legislation.

Corporate

- The Company completed the sale of its Kyrgyz mineral assets for US$10 million in the 2016 financial year and the final tranche sale proceeds of US$4.9 million were received in March 2017.

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires the auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 30 June 2017.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

Mark Calderwood
Chairman
Perth, 13 September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Manas Resources Limited for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia	**D I Buckley**
13 September 2017	**Partner**

	Notes	Consolidated Half-year 30 June 2017 $	Consolidated Half-year 30 June 2016 $
Other revenue		65,144	12,209
		65,144	12,209
Employee benefits expense		(253,085)	(593,830)
Depreciation and amortisation expense		(270)	(16,167)
Occupancy expenses		(15,000)	(65,659)
Corporate and administration expenses		(114,222)	(186,668)
Travel expenses		(55,282)	(14,277)
Exploration expense written off	5	-	(65,905)
Impairment charge on exploration assets	5	-	(18,536,820)
Share-based payments		(43,076)	-
Other expenses	2	(707)	(13,460)
Foreign exchange loss	2	(780,432)	(3,108)
Loss before income tax benefit		(1,196,930)	(19,483,685)
Income tax benefit		-	-
Net loss after tax		(1,196,930)	(19,483,685)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange gain arising on translation of foreign operations		-	3,037,078
Total comprehensive (loss) for the period		(1,196,930)	(16,446,607)
Earnings per share			
Basic (loss) per share		(0.05) cents	(1.41) cents
Diluted (loss) per share		(0.05) cents	(1.41) cents

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

		Consolidated	
	Notes	**30 June 2017** **$**	**31 December 2016** **$**
Assets			
Current Assets			
Cash and cash equivalents		10,614,781	7,168,380
Other receivables	3	31,150	6,801,938
Total Current Assets		10,645,931	13,970,318
Non-Current Assets			
Other assets	4	1,943,916	370,024
Property, plant and equipment		-	270
Exploration and evaluation expenditure	5	-	-
Total Non-Current Assets		1,943,916	370,294
Total Assets		12,589,847	14,340,612
Liabilities			
Current Liabilities			
Trade and other payables		172,059	768,970
Total Current Liabilities		172,059	768,970
Total Liabilities		172,059	768,970
Net Assets		12,417,788	13,571,642
Equity			
Issued capital	6	53,083,579	53,083,579
Reserves		3,934,544	3,891,468
Accumulated losses		(44,600,335)	(43,403,405)
Total Equity		12,417,788	13,571,642

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED	Issued Capital	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 January 2016	50,255,220	3,852,428	(6,275,038)	(19,584,519)	28,248,091
Loss attributable to members of the parent entity	-	-	-	(19,483,685)	(19,483,685)
Exchange differences arising on translation of foreign operations	-	-	3,037,078	-	3,037,078
Total comprehensive loss for the year	-	-	3,037,078	(19,483,685)	(16,446,607)
Shares issued	1,558,524	-	-	-	1,558,524
Share issue expenses	(114,667)	-	-	-	(114,667)
Recognition of share-based payments	-	4,527	-	-	4,527
Balance at 30 June 2016	**51,699,077**	**3,856,955**	**(3,237,960)**	**(39,068,204)**	**13,249,868**

CONSOLIDATED	Issued Capital	Share-Based Payment Reserve	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 January 2017	53,083,579	3,891,468	(43,403,405)	13,571,642
Loss attributable to members of the parent entity	-	-	(1,196,930)	(1,196,930)
Total comprehensive loss for the year	-	-	(1,196,930)	(1,196,930)
Recognition of share-based payments	-	43,076	-	43,076
Balance at 30 June 2017	**53,083,579**	**3,934,544**	**(44,600,335)**	**12,417,788**

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Note	Consolidated Half-year 30 June 2017 $	Consolidated Half-year 30 June 2016 $
Cash flows from operating activities			
Interest received		65,144	2,057
Payments to suppliers and employees		(1,041,836)	(517,292)
Net cash used in operating activities		(976,692)	(515,235)
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		-	7,625
Payments to acquire mineral project interest	3	(1,056,566)	(269,582)
Payments for exploration and evaluation expenditure		-	(481,190)
Proceeds from sale of project		6,395,284	-
Payments for due diligence expenditure	3	(248,484)	-
Loan advance payments	3	(248,842)	-
Security deposit	3	(20,000)	-
Net cash provided by / (used in) investing activities		4,821,392	(743,147)
Cash flows from financing activities			
Proceeds from issue of shares		-	1,478,524
Payments for share issue costs		-	(114,667)
Net cash provided by financing activities		-	1,363,857
Net increase in cash held		3,844,700	105,475
Cash and cash equivalents at the beginning of the period		7,168,380	231,260
Effects of exchange rate fluctuations on cash held		(398,299)	2,679
Cash and cash equivalents at the end of the period		10,614,781	339,414

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This condensed interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2016 and any public announcements made by Manas Resources Limited during the half-year and up to the date of this report in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2016.

Standards and Interpretations

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those disclosed in the Group’s 2016 annual financial report for the financial year ended 31 December 2016.

Standards and Interpretations adopted with no effect on the financial statements
The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standard and Interpretations on issue not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. Those which may have a significant impact to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 9 Financial Instruments (2014)

AASB 9 (2014), published in December 2014, replaces the existing guidance AASB 9 (2009), AASB 9 (2010) and AASB 139 *Financial Instruments: Recognition and Measurement* and is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The new standard results in changes to accounting policies for financial assets and liabilities covering classification and measurement, hedge accounting and impairment. The Group has assessed these changes and determined that based on the current financial assets and liabilities held at reporting date, the Group will need to reconsider its accounting policies surrounding impairment recognition. The new impairment requirements for financial assets are based on a forward looking 'expected loss model' (rather than the current 'incurred loss model').

The Group does not expect a significant effect on the financial statements resulting from the change of this standard however the Group is in the process of evaluating the impact of the new financial instrument standard. The changes in the Group's accounting policies from the adoption of AASB 9 will be applied from 1 July 2018 onwards.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, including in respect of multiple element arrangements. It replaces existing revenue recognition guidance, AASB 111 *Construction Contracts,* AASB 118 *Revenue* and AASB 1004 *Contributions.* AASB 15 is effective from annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The core principle of AASB 15 is that it requires identification of discrete performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks and rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

The Group has commenced the process of evaluating the impact of the new standard on existing revenue streams and will first apply AASB 15 in the financial year beginning 1 July 2018.

AASB 16 Leases

AASB 16 replaces the current AASB 17 Leases standard. AASB 16 removes the classification of leases as either operating leases or finance leases- for the lessee - effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and deprecation replacing operating lease expense.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also adopt AASB 15.

The Group does not expect a significant effect on the financial statements resulting from the change of this standard, this will however be dependent on the lease arrangements in place when the new standard is effective. The Group has commenced the process of evaluating the impact of the new lease standard.

No other new standards, amendments to standards and interpretations are expected to affect the Group's consolidated financial statements.

NOTE 2: EXPENSES

	Consolidated	
The loss for the half-year includes the following expense items that are unusual because of their nature, size or incidence:	**30 June 2017 $**	30 June 2016 $
Foreign exchange loss	**780,432**	3,108
Impairment charge on exploration assets	-	18,536,820
Other expenses include:		
Loss on disposal of asset	**-**	10,015
Finance costs	**706**	3,445

NOTE 3: OTHER RECEIVABLES

	Consolidated	
	30 June 2017 $	31 December 2016 $
Current		
GST receivable	**27,980**	11,099
Other receivable	**-**	6,780,669
Prepayments and advances	**3,170**	10,170
	31,150	6,801,938

Other receivable at 31 December 2016 relates to an amount of US4.9 million receivable from the sale of the Kyrgyz mineral assets, which amount was received during the Half-Year ended 30 June 2017.

NOTE 4: OTHER ASSETS

	Consolidated	
	30 June 2017 $	31 December 2016 $
Non-refundable deposit (1)	**1,326,148**	269,582
Due diligence costs (2)	**348,926**	100,442
Loan to Mabangu Mining Ltd (3)	**248,842**	-
Security deposit (4)	**20,000**	-
	1,943,916	370,024

(1) Non-refundable deposit and prepaid acquisition consideration totalling US$1,000,000 (31 December 2016: US$200,000) towards acquisition of the Victoria Gold Project.

(2) Cost associated with due diligence work performed at the Victoria Gold Project. The recoverability of the assets referred to in (1) and (2) above is dependent on the Group completing the acquisition. The deposit amount forms part of the acquisition cost and would be classified as exploration expenditure in future periods together with the due diligence costs.

(3) The Group has a loan with Mabangu Mining Ltd ("MML"), the owner of the Victoria Gold Project. On signing the Asset Sale agreement, the Group has operational control of MML and is funding the exploration activities in MML. This loan is repayable in full plus 3% interest per annum if the acquisition is not completed within 12 months of signing the agreement in April 2017.

(4) Security deposit held with bank for a corporate credit card facility.

NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	30 June 2017 $	Year to 31 December 2016 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost	**-**	28,200,092
Movement for the period		
Balance at beginning of period	**-**	28,200,092
Expenditure incurred	**-**	656,938
Exploration expense written off	**-**	(65,905)
Impairment of tenements	**-**	(18,536,820)
Translation difference movement	**-**	3,789,826
Transfer to discontinued operations	**-**	(14,044,131)
Total deferred exploration and evaluation expenditure	**-**	-

The Company completed the sale of its Kyrgyz mineral assets for US$10 million in the 2016 financial year and the final tranche sale proceeds of US$4.9 million was received in March 2017.

NOTE 6: ISSUED CAPITAL

	Company			
	30 June 2017 No.	**Year to 31 December 2016 No.**	**30 June 2017 $**	**Year to 31 December 2016 $**
Ordinary shares				
Issued and fully paid	2,632,662,488	2,632,662,488	53,083,579	53,083,579
Movements in ordinary shares on issue				
Beginning of period	2,632,662,488	895,804,335	53,083,579	50,255,220
Shares issued under private placement at $0.001	-	134,370,650	-	134,371
Shares issued under entitlement offer at $0.001	-	686,783,323	-	686,783
Shares issued in lieu of services provided at $0.002	-	40,000,000	-	80,000
Shares issued under private placement at $0.0018	-	365,205,334	-	657,370
Shares issued under a share purchase plan at $0.00275	-	491,000,546		1,350,303
Shares issued in lieu of services provided at $0.003	-	19,498,300	-	58,495
Share issue expenses (prior year)	-	-	-	(138,963)
End of period	2,632,662,488	2,632,662,488	53,083,579	53,083,579

NOTE 7: OPTIONS AND RIGHTS

(a) Options to subscribe for ordinary shares in the capital of the Company as at 30 June 2017 and 31 December 2016 are as follow:

Exercise Period	Exercise Price	Opening Balance 1 Jan 2017	Issued	Exercised Lapsed or Expired	Closing Balance 30 June 2017
		Number	Number	Number	Number
On or before 30 June 2020	$0.005	30,000,000	-	-	30,000,000
		30,000,000	-	-	30,000,000

Exercise Period	Exercise Price	Opening Balance 1 Jan 2016	Issued	Exercised Lapsed or Expired	Closing Balance 31 December 2016
		Number	Number	Number	Number
On or before 30 June 2020	$0.005	-	30,000,000	-	30,000,000
		-	30,000,000	-	30,000,000

30,000,000 options were granted last year as part of an executive remuneration package. During the half year ended 30 June 2017, no options were issued or exercised. A share based payment of $27,927 (31 December 2016: $28,390) was recognised for these options issued during the half-year.

(b) Performance Rights to subscribe for ordinary shares in the capital of the Company, including those granted during the half-year are as follows:

Grant date	Opening Balance 1 Jan 2017	Issued	Exercised Lapsed or Expired	Closing Balance 30 June 2017
	Number	Number	Number	Number
29 May 2014	1,000,000	-	-	1,000,000
15 February 2016	9,500,000	-	-	9,500,000
	10,500,000	-	-	10,500,000

Grant date	Opening Balance 1 Jan 2016	Issued	Exercised Lapsed or Expired	Closing Balance 31 December 2016
	Number	Number	Number	Number
27 May 2013	1,500,000	-	(1,500,000)	-
29 May 2014	1,000,000	-	-	1,000,000
15 February 2016	-	9,500,000	-	9,500,000
	2,500,000	9,500,000	(1,500,000)	10,500,000

NOTE 7: OPTIONS AND RIGHTS (continued)

Performance rights each convert to one ordinary share in the capital of the Company upon satisfaction of specified vesting criteria. During the half-year ended 30 June 2017, there was no new issue of performance rights. A share based payment expense of $15,149 (31 December 2016: $10,651) was recognised for performance rights issued in prior years and recognised during the half-year.

During the year ended 31 December 2016, 9,500,000 was issued to a senior executive as part of his remuneration package under the Performance Rights Plan approved by shareholders in December 2015 and 1,500,000 performance rights expired.

NOTE 8: SEGMENT REPORTING

Segment information is presented on the same basis as that used for internal reporting purposes. The board as a whole regularly reviews the identified segments in order to allocate resources to the segment and to assess its performance.

(a) Description of segments

During the half-year the Group considers that it has only operated in one segment, being the exploration and evaluation of mineral interests in Tanzania.

(b) Segment information provided to the Board

The segment information provided to the Board for the reportable segments for the half-year ended 30 June 2016 and 2017 is as outlined below.

Half-year ended 30 June 2016	**Mineral Exploration Kyrgyz Republic**	**Corporate and Unallocated**	**Consolidated**
	$	**$**	$
Continuing operations			
Segment result	(19,079,519)	(404,166)	(19,483,685)
Interest income	-	2,057	2,057
Other income	10,152	-	10,152
Exploration expenditure written off	(65,905)	-	(65,905)
Impairment charge on exploration assets	(18,536,820)	-	(18,536,820)
Segment Assets	13,412,452	613,150	14,025,602
Segment Liabilities	(420,997)	(354,737)	(775,734)

NOTE 8: SEGMENT REPORTING (continued)

Half-year ended 30 June 2017	**Mineral Exploration Tanzania**	**Corporate and Unallocated**	**Consolidated**
	$	**$**	**$**
Continuing operations			
Segment result	-	(1,196,930)	(1,196,930)
Interest income	-	65,144	65,144
Segment Assets	1,923,916	10,665,931	12,589,847
Segment Liabilities	(85,226)	(86,833)	(172,059)

NOTE 9: CONTINGENT LIABILITIES AND COMMITMENTS

Formal agreements ("Agreements") for the acquisition of the Victoria Gold Project ("VGP") in Tanzania ("Transaction") were executed in April 2017. On completion, Manas will acquire 100% ownership of a significant package of licenses in the Lake Victoria Gold Field of northern Tanzania. The cash consideration for the acquisition of the wholly owned VGP licenses and physical assets was US$1.8 million, with a US$0.8 million pre-payment made immediately following signing of the Agreements. The remaining US$1.0 million is payable at completion of the Transaction, once all wholly owned licenses are transferred to subsidiaries under the control of Manas.

Subject to shareholder approval, Manas will issue US$2 million of Performance Rights which will vest into fully paid ordinary shares in Manas at a deemed issue price of A$0.002 per share upon transfer of other key licenses which are not presently wholly owned (based on the reporting date exchange rate of 1 AUD$ to US$0.7685, approximately 1.3 billion new shares would be required to be issued upon satisfaction of vesting conditions).

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

On 4 August 2017, 10,500,00 shares were issued to Chief Executive Officer, Phil Reese on the vesting and conversion of 10,500,000 performance rights.

Since the end of the reporting period and to the date of this report, no other matter or circumstance has arisen which significantly affected, or may significantly effect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Manas Resources Limited we state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half year ended on that date; and

   (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and other mandatory professional reporting requirements.

(b) there are reasonable grounds to believe that Manas Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001, and on behalf of the Board by:

Mark Calderwood
Chairman

Perth, 13 September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Manas Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Manas Resources Limited ("the company"), which comprises the condensed statement of financial position as at 30 June 2017, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Manas Resources Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 4(1)(2) to the financial report which indicates that the recovery of the assets is dependent on the Group completing the acquisition.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
13 September 2017