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## **MARCH 2017 QUARTERLY ACTIVITIES REPORT**

Manas Resources Limited ("Manas" or "the Company", ASX: MSR) is pleased to provide the following report on activities for the March 2017 Quarter.

### **SUMMARY**

#### **Victoria Gold Project (VGP) Heads of Agreement, Tanzania**

- Acquisition of the advanced-stage VGP in Tanzania further progressed, with the execution of a revised binding Terms Sheet. Formal agreements executed post quarter end
- Staged consideration of \$US1.8 million cash and US\$2.0 million of Manas shares, subject to license transfer milestones
- Manas assumes operational control of the VGP with exploration work scheduled to commence in June quarter

#### **Shambesai Gold Project (SGP), Kyrgyz Republic, Central Asia**

- Final instalment of US\$4.9M received from the US\$10M sale of Manas's Kyrgyz mineral assets

#### **Corporate**

- Manas fully funded to embark on aggressive exploration strategy, with cash reserves of \$12.5M as at 31 March 2017

## 1. Victoria Gold Project (VGP) Heads of Agreement, Tanzania

As previously announced on 27 June 2016 and 12 July 2016, Manas executed a binding Heads of Agreement (“HOA”) to purchase the Victoria Gold Project (“VGP”) in Tanzania for total consideration of US\$4.0M (“Transaction”). On 31 January 2017, Manas signed a binding Terms Sheet to progress and implement the Transaction, with formal agreements (Transaction Documents) signed post quarter end on 13 April 2017 on similar terms to the Terms Sheet. At completion, Manas will attain 100% ownership of a significant package of licenses in the multi-million ounce Lake Victoria Gold Field of northern Tanzania (Figure 1).

The VGP comprises a package of some 38 licenses covering over 250km<sup>2</sup> (Figure 2, Table 1) and includes a number of license areas which are currently held in Tanzanian companies controlled by the project vendor (wholly owned licenses) or held in other entities controlled by the vendor or held in joint venture with other parties. The Transaction will be implemented through the transfer of wholly owned licenses into subsidiaries under the control of Manas and a process for the transfer other key licenses within the VGP which are not presently wholly owned.



**Figure 1: Victoria Gold Project location (license area indicative and is subject to change)**

In addition, Manas will acquire a number of physical assets, including a camp, vehicles and intellectual property.

The key terms of the binding Transaction Documents are:

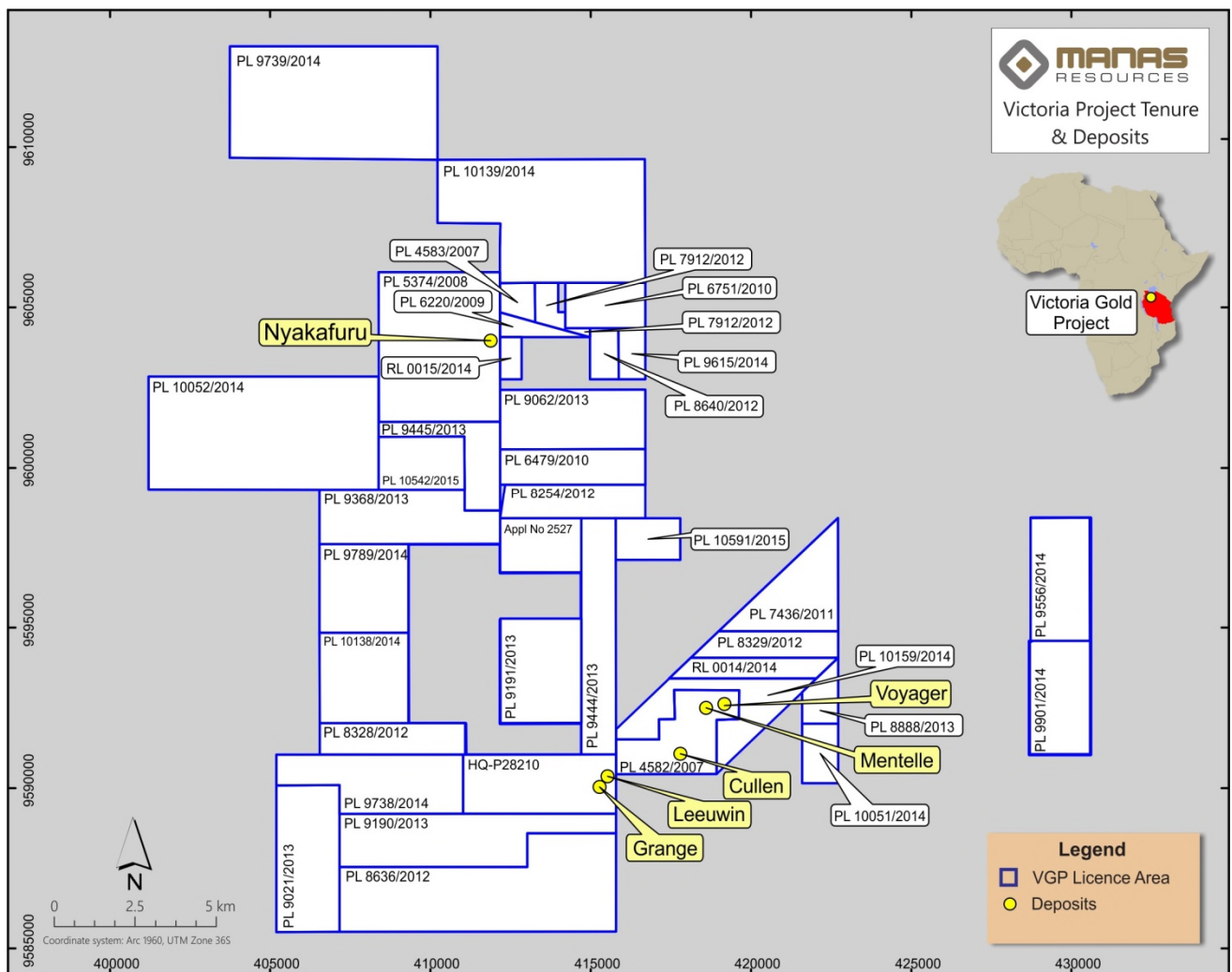
**Consideration:** Acquisition of the wholly owned licenses and physical assets forming the VGP for a cash consideration of US\$1.8 million, of which US\$0.8 million was payable upon execution of a formal agreement (paid in April 2017) and US\$1.0 million payable on completion of the Transaction, once all the wholly owned licenses are transferred to subsidiaries under the control of Manas.

**Operations:** Manas will assume immediate operational control of the VGP and fund current exploration expenditures by way of a loan agreement for up to US\$0.5 million. The loan will be repayable to Manas in the event that the vendor cannot meet its obligations regarding transfer of ownership of the VGP assets in general within a 12-month period resulting in the Transaction failing to complete.

**License Transfer:** Under a separate Consultancy Agreement, the counterparty is required to facilitate the transfer of those licenses which are not wholly owned by the vendor. 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 wholly owned.

**Conditions Precedent:** Completion of due diligence by Manas, regulatory approvals, gaining Tanzanian tax clearance, transfer of key licenses.

As part of its due diligence, Manas has prioritised licence areas for the transfer process along with areas for relinquishment. This review has resulted in a reduced licence area covering some 250km<sup>2</sup> (the final area will depend on approval for a number of licenses currently either under application or being released). It is anticipated that the outline shown in Figure 2 will generally form the basis of the licence area for the Transaction at completion.



**Figure 2: Victoria Gold Project Licenses (license area indicative and is subject to change)**

In coming months, Manas will issue a Notice of Meeting including an Independent Expert's Report seeking shareholder approval for the issue of the Performance Rights and the consequential issue of shares upon vesting of the rights.

An initial work programme targeted at expanding the potential deposit area around the key Nyakafuru Reefs gold occurrence will commence in early May with soil sampling and ground magnetic surveys over the adjacent reefs outside the currently defined mineralisation. This will be followed up with a confirmation drilling programme at Nyakafuru Reefs to provide metallurgical and geotechnical samples for test work programmes. Further drilling is planned over previously identified targets at and nearby Nyakufuru, and at the exciting Nyakasuluma prospect once conditions allow.

Manas is also proceeding with a re-evaluation of historical resource estimates reported by previous owners on the Nyakafuru, Voyager/Mentelle and Leeuwin/Grange deposits. Haren Consulting, who assisted in the due diligence process, has been appointed to undertake this work. The revised estimates will provide a basis for the future evaluation of the economic potential of the VGP.

## **2. Shambesai Gold Project (SGP), Kyrgyz Republic**

During the quarter, Manas received the final instalment of US\$4.9M from the US\$10M sale of Manas's Kyrgyz mineral assets to Chinese State Owned Enterprise, Guizhou Geological and Mineral Resources Development Company Limited ("GGMRD") and its nominee, Tiandi International Mining Co. Limited.

## **3. Corporate**

Manas is now fully funded to embark on aggressive exploration strategy, with cash reserves of \$12.5M at quarter end.

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

### **Manas Resources Limited - Company Overview**

Manas Resources Limited is a well-funded, Australian-listed gold company that is in the process of completing the acquisition of the Victoria Gold Project ("VGP") in Tanzania following the successful divestment of its Kyrgyzstan gold assets for US\$10 million. The VGP comprises an extensive holding with identified areas of gold mineralisation and excellent exploration upside, strategically located near several established mining operations in the multi-million ounce Lake Victoria Gold Field of northern Tanzania.

## Mineral Interests of the Manas Group at 31 March 2017

Manas has entered into an agreement to purchase the licences associated with the VGP as indicated in Table 1. These licences are expected to form the majority of the area covered by the VGP. However the form and extent of the final package may vary as a result of work currently underway to rationalise and consolidate the licence package.

**Table 1: Victoria Gold Project Licenses**

| Licence No    | Company                     | JV Area        | Area (Sq_km) | Deposit/Occurance /Key Licence |
|---------------|-----------------------------|----------------|--------------|--------------------------------|
| PL10139/2014  | Mabangu Mining Limited      |                | 21.49        |                                |
| PL9739/2014   | Mabangu Mining Limited      |                | 22.68        |                                |
| PL10052/2014  | Mabangu Mining Limited      |                | 25.17        |                                |
| PL9444/2013   | Mabangu Mining Limited      |                | 7.96         |                                |
| PL9191/2013   | Mabangu Mining Limited      |                | 8.16         |                                |
| PL9789/2014   | Mabangu Mining Limited      |                | 7.67         |                                |
| PL10051/2014  | Mabangu Mining Limited      |                | 1.71         |                                |
| PL8888/2013   | Mabangu Mining Limited      |                | 1.76         |                                |
| PL5374/2008   | Mabangu Mining Limited      |                | 17.53        | Nyakafuru                      |
| PL10542/2015  | Mabangu Mining Limited      |                | 4.38         |                                |
| PL10138/2014  | Mabangu Mining Limited      |                | 7.84         |                                |
| Appl No 02527 | Mabangu Mining Limited      |                | 4.27         |                                |
| PL10159/2014  | Mabangu Mining Limited      |                | 6.38         |                                |
| RL0014/2014   | Mabangu Mining Limited      |                | 2.94         |                                |
| PL9062/2013   | Mabangu Mining Limited      | Mwagi Mwagi JV | 8.01         |                                |
| PL8640/2012   | Mabangu Mining Limited      | Mwagi Mwagi JV | 1.4          |                                |
| PL6220/2009   | Mabangu Mining Limited      | Mwagi Mwagi JV | 1.08         |                                |
| PL9556/2014   | Mabangu Mining Limited      | Kwanga JV      | 7.1          |                                |
| PL9901/2014   | Mabangu Mining Limited      | Kwanga JV      | 6.75         |                                |
| PL9738/2014   | Mabangu Mining Limited      | Nyakasaluma    | 8.89         |                                |
| PL10591/2015  | Mabangu Mining Limited      |                | 2.59         | Redgate                        |
| HQ-P28210     | Mabangu Mining Limited      | Nyakasaluma    | 8.81         | Leeuwin/Grange                 |
| PL9445/2013   | Mabangu Exploration Limited |                | 4.41         |                                |
| PL9368/2013   | RTL Limited                 |                | 8.96         |                                |
| PL8328/2012   | RTL Limited                 |                | 4.49         | Golden Hoe                     |
| PL4582/2007   | RTL Limited                 |                | 6.33         | Voyager-Mantelle               |
| PL4583/2007   | RTL Limited                 | Mwagi Mwagi JV | 1.18         |                                |
| PL8329/2012   | RTL Limited                 |                | 3.45         |                                |
| PL7436/2011   | RTL Limited                 |                | 6.58         |                                |
| RL0015/2014   | RTL Limited                 | Mwagi Mwagi JV | 0.91         |                                |
| PL6751/2010   | RTL Limited                 | Mwagi Mwagi JV | 3.53         |                                |
| PL8636/2012   | RTL Limited                 | Nyakasaluma    | 20.4         |                                |
| PL9615/2014   | ABG Exploration             | Mwagi Mwagi JV | 1.33         |                                |
| PL7912/2012   | ABG Exploration             | Mwagi Mwagi JV | 1.2          |                                |
| PL8254/2012   | Vulcan Resources            | Mwagi Mwagi JV | 4.8          | Redgate                        |
| PL6479/2010   | Vulcan Resources            | Mwagi Mwagi JV | 5.01         |                                |
| PL9021/2013   | Vulcan Resources            | Nyakasaluma    | 9.03         |                                |
| PL9190/2013   | Vulcan Resources            | Nyakasaluma    | 11.42        | Nyakasaluma                    |

Key Licences

Note:

1. The Joint Venture name refers to an area, the above refers to the licences within the areas
2. Wholly Owned Licences are those held by RTL, MML and MEL