



30 APRIL 2015

MARCH 2015 QUARTERLY OPERATIONS REPORT

Manas Resources Limited (ASX-MSR) reports its activities for the March 2015 Quarter on the Company's 100%-owned gold projects in the Kyrgyz Republic, Central Asia.

SUMMARY

Shambesai Gold Project, Kyrgyz Republic, Central Asia

- ◆ Updated economic parameters and Ore Reserves for the Shambesai Gold Project reaffirming the project as a low-cost, high-margin gold project that is technically simple and which can be commissioned in a relatively short time frame for a low capital cost
- ◆ Shambesai remains in the final stages of design and permitting before commencement of construction, which requires -
 - completion of the safety audit for the Process Plant Basic Engineering; and
 - completion of Basic Engineering Design for mine infrastructure and open pits and subsequent environmental and safety audits for the design
- ◆ Manas continues submission of Final Design Documentation as part of the ongoing approval process
- ◆ Planning for community information sessions (part of OVOS public hearings strategy)

CORPORATE

- ◆ Rights issue fully underwritten by Baillie Asset Management Pty Ltd completed raising \$1.1 million
- ◆ Discussions are continuing with several parties for the financing or sale of Manas's Kyrgyz assets with a focus on an outright sale

Shambesai Gold Project, Kyrgyz Republic (MSR 100%)

Shambesai Mineral Resources

During the quarter, Manas completed an update to the economic parameters for the May 2013 Bankable Feasibility Study (BFS) and Ore Reserves to comply with the JORC Code, 2012 Edition reporting framework for its 100%-owned Shambesai Gold Project (Shambesai).

This update of the economic parameters to the May 2013 BFS was based on work carried out since that release to more accurately reflect the ongoing reduced gold price environment, updates to cost estimates, the award

of various permits to the end of 2014 including meetings with the State Agency of Geology and Mineral Resources for the Kyrgyz Republic (SAGMR) and the JORC 2012 Mineral Resource update released 5 December 2014.

This economic update confirms the results of previously released studies with very little variance to past results, demonstrating the project is a low-cost, high-margin gold project that is technically simple and can be commissioned in a relatively short time frame for a low capital cost.

The update to the economic parameters was completed in conjunction with Perth-based independent engineering consultants Mintrex Pty Ltd to reflect recent changes which impact on the financial modelling for the project. The Ore Reserves have been estimated by CSA Global Pty Ltd (CSA Global).

Key outcomes of the updated economic parameters are as follows:

Summary of Key Economic Parameters for the Shambesai Gold Project (US\$1,300 life-of-mine gold price)

After-tax NPV at 8% discount rate ¹	US\$103M
Internal Rate of Return	106%
Life-of-mine cash flow after tax and royalties	US\$138M (undiscounted and net of life of mine capital costs)
Proved Reserve	0.81 Mt at 3.3 g/t for 85,000 ounces of gold
Probable Reserve	1.56 Mt at 3.9 g/t for 194,000 ounces of gold
Total Proved and Probable Reserves ²	2.37 Mt at 3.7 g/t for 279,000 ounces of gold
Mining Rate – Life of Mine Average	+550,000 tonnes of ore per annum
Average annual gold production	55,000 ounces per annum over life of mine
Project life	4 ½ years
Average Processing Recovery Life of Mine	85.9%
Total Amount of Gold Recovered	241,000 ounces
Average Operating Cash Cost (C1 cost) ³	US\$416 per ounce Life of Mine
Average Total Cost including Total Capital (C3 cost)	US\$720 per ounce Life of Mine
Capital Cost to First Gold	US\$40.7M
Payback Period	10 months
Strip Ratio (ore to waste t:t)	7.4 to 1

1. NPV after Kyrgyz 1% revenue tax, 3% royalty, 2% sales tax and 2% community payments on gross revenue taking into account the revised fiscal regime in the country with effect from January 2013

2. 279,000 ounces of gold are contained in the design pit used for the cashflow calculation. The increase compared to the May 2013 estimate arises from slight changes in the pit design to target deeper high grade ore and from a more detailed estimate of mining recovery and dilution parameters than previously assumed for the May 2013 BFS and Ore Reserve Statement
3. Average operating cost per ounce C1 is calculated according to the Brooke-Hunt methodology. However it excludes royalty and revenue based tax payments which form the corporate tax in Kyrgyzstan

The ASX release dated 25 February 2015 provides full details of the updated economic parameters. However it is worth noting that oxide ore, with rapid leaching, high-recovery of gold and very low treatment costs, accounts for over 90% of the total gold estimated to be able to be recovered at Shambesai. Recovery of gold from the vat leach where the high grade oxide ore is initially treated accounts for over 80% of total production. Initial treatment of the high-grade ore through the vat leach is designed to recover the majority of the gold very quickly (within 3 days), with the ore then placed on the heap leach pads to complete the recovery process. Refractory sulphide ore only accounts for approximately 9% of all ore processed.

While the Shambesai BFS is primarily focused on treatment of high-value oxide ore from an initial open pit, the ability to process sulphide ore through this simple process route will allow the re-evaluation of potential reserve and production expansion through incorporating further material from the 697,000 ounce Shambesai Mineral Resource.

Permitting

The in-country project team continues to finalise the permitting for the project focussing on the completion of the safety audit of the process plant and completion of the basic engineering package for the mine and associated infrastructure and subsequent environmental and safety technical audits.

The team is also holding a series of focus group meetings with local community groups around the mine site as part of the community consultation process required in the OVOS (EIA) approval conditions. The final part to the consultation process is a major public meeting to be held in late May which Manas anticipates will provide significant community support for the project to proceed.

Community Relations

During the Quarter, Manas staff was busy preparing for community information sessions designed to appraise the local community of the Shambesai Gold Project, respond to questions and address concerns that may exist amongst the community. Subsequent to quarter-end, on 14,15 and 22 April, Manas representatives held 4 Project information sessions in Uch-Korgon village with local residents from Maidan, Kara-Jygach, Pum, Karool, Kara-Kyshtak and Markaz villages as part of efforts to build and maintain a constructive dialogue.

A good cross-section of community members attended these sessions. The sessions provided an in-depth analysis of technical, environmental and social issues. Positive feedback was recorded from community members.

Project Financing and Asset Sale

As reported in the December 2014 Quarterly Activities Report, the Board has resolved to consider sale offers for the Company's entire interest in the Shambesai Project, which process would be subject to shareholder approval prior to completion. The sales process is running concurrently with efforts for procurement of financing of the Shambesai Gold Project by way of a number of different structures. Whilst the Company is not in a position to report any tangible outcomes at this stage, the Board is pleased with progress and negotiations to date and shareholders' belief in a successful outcome was evidenced by a well-supported rights offer of Manas shares during the Quarter (refer below for further information).

Corporate

During the quarter, Manas completed the issue of 73,607,762 fully paid ordinary shares representing subscriptions to entitlements as well as shortfall shares from the non-renounceable rights issue that closed on 27 February 2015. The rights issue was fully underwritten by Baillie Asset management Pty Ltd and raised \$1,104,116 at an issue price of \$0.015.

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Manas Resources Limited - Company Overview

Manas Resources Limited is an Australian-based company with a Mineral Resource base of 1,184,000 ounces of gold at its 100% owned projects on the Tien Shan gold belt in the south west of the Kyrgyz Republic. The Company has completed a Bankable Feasibility Study, and a mining and development licence has been issued for the flagship technically low-risk and high-margin Shambesai Gold Project.

Summary of Mineral Resource and Reserve Estimates									
Reported according to JORC Category and Deposit									
Resource Category incl. Reserves	Shambesai			Obdilla			Total		
	Tonnes Mt	Grade g/t Au	Ounces	Tonnes Mt	Grade g/t Au	Ounces	Tonnes Mt	Grade g/t Au	Ounces
Measured	1.2	3.0	111,000				1.2	3.0	111,000
Indicated	6.4	2.7	556,000	6.3	1.8	353,000	12.7	2.3	909,000
Inferred	0.5	1.9	29,000	2.9	1.4	132,000	3.4	1.5	161,000
Total Resource	8.1	2.7	697,000	9.2	1.7	485,000	17.3	2.2	1,184,000
Proved	0.8	3.3	85,000				0.8	3.3	85,000
Probable	1.6	3.9	194,000				1.6	3.9	194,000
Total Reserve	2.4	3.7	279,000				2.4	3.7	279,000

Note: The Shambesai Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 0.2 g/t Au. The Mineral Resource is quoted from all blocks above a cut-off grade of 0.3 g/t Au for Oxide Resources and 0.75 g/t Au for Sulphide Resources. Low grade refers to blocks above cut-off and below 2.0 g/t Au, while High Grade refers to blocks above 2.0 g/t Au. Quoted Mineral Resources are inclusive of Proved and Probable Reserves at Shambesai. Differences may occur due to rounding.

The Shambesai Gold Project Mineral Resource was updated to comply with the JORC Code 2012 Edition reporting framework and the Company reported results on 5 December 2014. There was no change to the resource classification, quantities or grade since the Mineral Resource release in March 2013. The information in this release that relates to the Shambesai Gold Project Mineral Resource was first reported by the Company in compliance with JORC 2012 in a market release dated 5 December 2014. 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 5 December 2014 and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed.

The information in this release that relates to the Shambesai Gold Project Ore Reserves was first reported by the Company in compliance with JORC 2012 in a market release dated 25 February 2015. 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 25 February 2015 and that all material assumptions and technical parameters underpinning the ore reserves estimate continue to apply and have not materially changed.

The Mineral Resources information reported above in relation to the Obdilla Project was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Statements regarding Manas Resources' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Manas Resources' plans for development and or sale of its mineral properties will proceed as currently expected. There can also be no assurance that Manas Resources' 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 Resources' mineral properties.

Mineral Interests of the Manas Group at 31 March 2015

Licence	Licence Number	Registered Holder	Legal and Beneficial Interest
Tolubay	AR 2533 (Au-171-02)	CJSC Z-Explorer	100%
Isfairamsai	AP 235	CJSC Z-Explorer	100%
Djilginsai	AP 236	CJSC Z-Explorer	100%
Aksui	460 AP	CJSC Landmark	100%
Savoyardy (Prospecting) Savoyardy (Exploration)	3718 AP (Au-87-04) 3719 AR (Au-87-04)	CJSC Savoyardy	100%
Shambesai Mining Permit	3164 AE	CJSC Z-Explorer	100%

Location – All mineral interests are held in the Kyrgyz Republic, Central Asia, primarily in the south of the country.

The registered holders are all wholly owned subsidiaries of Manas Resources Limited.

None of the mineral interests listed above are the subject of any farm-in / farm-out or joint venture arrangements. There have been no changes to mineral interests during the March 2015 quarter.