



30 October 2015

SEPTEMBER 2015 QUARTERLY ACTIVITIES REPORT

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

SUMMARY

Shambesai Gold Project, Kyrgyz Republic, Central Asia

- Finalisation of the OVOS (Kyrgyz Republic EIA) process
- Submission of the final technical permitting documentation for expert review
- Approval of all technical permits was subsequently gained in early October with Project now fully permitted
- Work on re-optimisation of the Shambesai Open Pit commenced
- Capital estimate and schedule for the Shambesai Gold Project being updated and optimised, with optimised pre-production capital reduced to US\$30m
- Parliamentary elections held successfully in Kyrgyz Republic on 4 October

CORPORATE

- A placement and a partially underwritten non-renounceable rights issue of shares raised an aggregate \$2.64 million during the Quarter.
- Having completed permitting and reviewed the capital cost estimate, the Company has re-commenced discussions with potential project financiers, while continuing to explore other options including joint ventures or the sale of Manas's Kyrgyz assets

Shambesai Gold Project, Kyrgyz Republic (MSR 100%)

Permitting

During the September Quarter confirmation was received from the Kyrgyz Republic State Agency for Environmental Protection and Forestry (SAEPF) that the OVOS recommendations, including the community consultation process for the Shambesai Gold Project, had been satisfactorily fulfilled.

The OVOS, which is the Kyrgyz Republic Environmental and Social Impact Assessment process, was the main environmental approval required for the Shambesai Gold Project to proceed through to production.

The main recommendation arising from the initial conditional OVOS approval was that Manas conduct public consultations regarding the project development with the local community. Manas had conducted more than 70 regular consultations with local community representatives regarding Shambesai Project's technical, social and environmental aspects since early 2012. On 19 June 2015, a wider consultation meeting was successfully held with local community members and a SAEPP representative to discuss Shambesai Gold Project OVOS.

The consultation was held in compliance with the Kyrgyz legal requirements including public access to the OVOS document for a 30 day long open comment period prior to the consultation.

The Basic Engineering design reports for the mine and associated infrastructure were submitted for expert review and approval during the September Quarter. Approvals for the design were received early in October. The completion of the technical permitting for the mine, process plant and infrastructure facilities was a key undertaking required as part of the Mining License for the Shambesai project and follows on from finalisation of the basic engineering for the project. Manas has now fulfilled all the obligations associated with the Mining License Agreement Number1 (MLA1) and Mining License Agreement #2 which provides for the construction and commissioning of the Shambesai project by the end of 2016 has now become effective.

Community Relations

The Company continues to maintain its programme of activities with the local community. During the Quarter the company activities included construction of four greenhouses with assistance of the local Water Users Association and help establishing a village medical checkpoint. The Company representatives supported the region in Kyrgyz Independence day celebrations as well as providing and participating in a celebratory dinner with elders for Kurban Ait.

Over the quarter informal workshops were held with close to 70 participants from Maidan and surrounding villages.

Democratic Parliamentary elections were held in the Kyrgyz Republic on 4 October. The Central Election Commission has advised the official results and a new coalition is expected to be announced in the first week of November. The successful elections were a reflection of the political stability and maturity over the last 5 years.

Mine Re-Optimisation

Work commenced on a re-optimisation of the open pit for the Shambesai mine during the Quarter. The previous optimisation, which formed the basis for the Shambesai Bankable Feasibility Study, had been completed at a gold price of US\$1500 per ounce although the financial performance had been reported at US\$1300 per ounce. With the on-going repricing of gold at around the US\$1100 to US\$1200 per ounce level, the Company considers it prudent to rework the design of the open pit which forms the basis for the project to reflect these lower prices.

Based on initial results, reported to the ASX on 22 October 2015, it is expected that the pit will reduce in size by about 50% in total volume with only a 15% reduction in the gold resource contained in the pit.

Pit Designs	In Pit Resource Mt	Au g/t	Ounces	Waste Mt	Strip Ratio
Feb-15	2.42	3.71	289,100	18.34	7.6:1
Recommended	1.83	4.18	246,400	8.94	4.9:1
Difference	-0.59		-42,700	-9.4	

Notes:

1. Based on the 5 December 2014 JORC 2012 resource estimate
2. Inferred resources included as waste
3. In pit resources are prior to dilution and ore loss

Underground Mine Pre-Feasibility

Pre-feasibility work has commenced on the potential underground ore initially within 120m vertically and 170m laterally of the pit ("near Pit"). The near pit high grade Measured and Indicated resources are about 660,000t grading 5.9g/t Au containing 124,700 ounces of gold and including oxide resources of 390,000t at 3.6g/t Au and sulphide resources of 270,000t at 9.2g/t Au.

Project Schedule and Capital Estimate

Following completion of the permitting for the project, the Project Team is working on optimizing the project schedule and capital cost estimate for the Shambesai Project in light of development funding constraints generally in the industry and discussions with potential financiers.

As a result of design reviews following permitting recommendations, capital costs are expect to be reduced in a number of areas associated with site access and earth works. The Project Team has also identified a number of areas where construction work can be deferred until after gold production has commenced.

There is potential to defer the purchase of some of the mining equipment, part of the camp accommodation construction and the start-up of the heap leach facility for processing low grade material. Deferral of these items will reduce the pre-production capital required for the Project since ongoing construction after the first gold is poured can be funded from the strong cash flows expected to be generated as production ramps up.

Initial results from this study suggest that pre-production capital expenditure can be reduced significantly to US\$30M from US\$41M [as reported in the 25th February 2015 update to the economic parameters for the May 2013 Bankable Feasibility Study (BFS)]. [Total capital costs, including sustaining capital are currently estimated at approximately US\$44M, down from the US\$48M estimated in the BFS update.]

Capital costs are expected to be further reduced following re-tendering of major supply and construction packages, reflecting the significant fall in mining construction activities and equipment pricing since the BFS estimate was prepared. Substantial operating cost savings are expected from a review currently underway into major consumables such as fuel and cyanide, market pricing for both of which has reduced significantly since the BFS estimate was prepared.

Manas expects to more fully report on the results of the capital and operating cost review, and the revised mine schedule later in the December quarter.

Corporate

Project Financing

As a consequence of recent developments including receipt of all key construction approvals, reduced pre-production capital requirements, continued political stability and Government support having significantly improved the outlook for the Project, the Company has engaged advisers to re-commence a process to secure financing for the Project. The Company has received a positive response and discussions are now ongoing with a number of parties with a view to securing firm indications by the end of the calendar year.

At the same time discussions with other cornerstone investors, direct equity joint venture partners and potential acquirers of the Company's Krgyz projects remain ongoing.

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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 30 September 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%
Tashbulak	4188 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 September 2015 quarter.