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ASX RELEASE / MEDIA RELEASE

US\$10.5M SALE AGREEMENTS EXECUTED FOR ALL KYRGYZ ASSETS

HIGHLIGHTS

- ◆ Two separate agreements executed relating to the sale of all assets in the Kyrgyz Republic for total consideration of US\$10.5 million (approximately A\$14 million).
- ◆ Binding Term Sheet signed with Chinese State Owned Enterprise, Guizhou Geological and Mineral Resources Development Company Limited ("GGMRD") for the sale of Kyrgyz mineral assets for cash consideration of US\$10.0 million
- ◆ Separate agreement also signed for sale of Savoyard assets (excluded from the GGMRD transaction) for cash consideration of US\$0.5 million
- ◆ Due diligence is progressing on the proposed acquisition of the Victoria Gold Project and three separate gold mineralised areas with completed drilling and associated data are considered to be sufficiently robust to justify the estimation of a Mineral Resource in the near future.

Manas Resources Limited (ASX: MSR) ("Manas" or "Company") is pleased to announce the signing of two separate agreements relating to sale of its assets in the Kyrgyz Republic for consideration totalling US\$10.5 million (approximately A\$14 million).

As previously announced (see ASX announcement dated 12 July 2016), Manas has been investigating opportunities to extract value from the Shambesai Project in the Kyrgyz Republic. A number of options have been assessed including partnership, joint venture, divestment or the continued development of the Project by way of debt financing. Advanced discussions were held with a number of prospective financiers with regards to these various options. Given the challenges involved in financing greenfields development projects in the Kyrgyz Republic and the relative merits of the recently announced acquisition of the Victoria Gold Project ("VGP") in Tanzania, the Directors believe that divestment of the Kyrgyz assets will deliver the best outcome to shareholders.

Manas Chairman Mark Calderwood said, "The sale of our assets in the Kyrgyz republic for US10.5 million is a positive result for shareholders in the current market. Even if the very considerable challenge of finding a financier for the development of the Shambesai Gold Project were to be overcome, existing shareholders would be subject to significant dilution in order to meet the equity component of financing conditions. After considering this and other development challenges, the Board believes that the negotiated sale outcome offers the best result for shareholders with the sale value providing a significant premium over the Company's current market capitalisation. The divestment of the Kyrgyz assets will allow Manas to focus its resources on the exciting VGP which will become the Company's sole focus. The sale of the Kyrgyz assets will be subject to shareholder approval at a general meeting to be convened for that purpose."

1. GGMRD Transaction

Manas executed a binding Term Sheet on 26 August 2016 with Chinese State-owned enterprise, 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. Under the Terms Sheet, GGMRD is able to assign its rights and obligations to a nominee for completion of the transaction. The key commercial terms of the agreement are as follows:

Assets Subject of Agreement: 100% of the shares in Manas Holdings (Kyrgyz) Pty Ltd (“MHKL”) and assignment of a loan due to the Company from MHKL to GGMRD. MHKL is the parent of the wholly owned Kyrgyz subsidiaries, CJSC Z-Explorer, CJSC Landmark and CJSC Savoyardy, the entities which own all of the Kyrgyz mineral assets. Sale of CJSC Savoyardy is excluded from the GGMRD transaction as it is the subject of a separate sale agreement (refer below).

Sale Consideration: US\$10,000,000 with a US\$500,000 deposit (refundable in very limited circumstances) payable no later than 9 September 2016 and the balance of US\$9,500,000 due on completion, anticipated to occur prior to the end of November 2016.

Break Fee: US\$300,000 break fee payable by either party in certain circumstances, including for termination of the agreement due to non-receipt of 3rd party regulatory approvals (including in the case of Manas, shareholder approval).

Timetable: An initial 30 day period from 26 August 2016 for GGMRD to complete due diligence and finalise a long form share sale and purchase agreement and deed of assignment for the loan (“Transaction Documents”), at the end of which (or any time during) GGMRD can terminate the agreement without penalty. At the conclusion of the 30 day period, the agreement becomes unconditional except for 3rd party regulatory approvals required by both GGMRD and Manas, for which a further period of 2 months is allowed for obtaining these approvals. GGMRD can extend this period by one month, with Manas’s consent, for an additional non-refundable payment of US\$120,000.

Regulatory Approvals: GGMRD will require approval from up to 4 different Chinese agencies (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). Manas will require shareholder approval.

2. Savoyardy Transaction

In a separate transaction, MHKL has entered into a preliminary agreement for the sale of 100% of its shares and loans in CJSC Savoyardy. The preliminary agreement is with Mr Xijin Han who is in the process of registering a local entity to act as the purchaser. A deposit (non-refundable except in limited circumstances if CJSC Savoyardy is found not to be in good standing) of US\$50,000 from the total sale consideration of US\$500,000 was received on 26 August 2016. Binding transaction documents have to be prepared and negotiated between MHKL and the yet to be registered entity for the sale to close, which is also subject to the buyer completing his due diligence enquiries. It is expected that this sale will close by around mid-October 2016 and prior to completion of the GGMRD transaction.

Victoria Gold Project

As announced on 26 June 2016 and subject to completion of technical and legal due diligence, Manas will acquire the VGP in Tanzania. It is anticipated that proceeds from the sale of MHKL and Savoyardy will be used to complete the purchase of the VGP and fund future exploration and development activities on the extensive lease areas.

Technical due diligence work completed to date has identified three separate gold-mineralised areas with sufficient drilling completed and an associated database considered to be sufficiently robust to warrant estimation of a Mineral Resource. Manas intends to progress work on these estimates as a priority, which will place the Company in a strong position to progress appropriate scoping studies once the Kyrgyz sale process completes.

In addition, there are a number of high priority exploration targets outside the main deposit areas and the Company is planning on a significant drilling campaign as soon as funding permits.

Manas' CEO, Mr Philip Reese, commented: "These proposed divestments of Manas's Kyrgyz assets will place the Company in a strong financial position to rapidly unlock the commercial potential of the VGP. Having recently visited the VGP, I am very excited by the exploration upside. We are still working diligently on assembling and validating the vast project database and progressing this acquisition towards completion."

For further information please contact:

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Forward Looking Statements: 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 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.