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SEPTEMBER 2016 QUARTERLY ACTIVITIES REPORT

Manas Resources Limited ("Manas" or "the Company", ASX: MSR) is pleased to provide the following report on activities for the September 2016 Quarter.

SUMMARY

Victoria Gold Project (VGP) Heads of Agreement, Tanzania

- Due diligence and legal structuring of the advanced-stage VGP in Tanzania progressing
- Significant 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

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

- Binding Term Sheet signed for the disposal of shares in and loans to the Company's Australian subsidiary, Manas Holdings (Kyrgyz) Pty Ltd, which owns the SGP, for US\$10 million
- Sale transaction anticipated to complete towards the end of November 2016, with a US\$500,000 deposit (refundable in very limited circumstances) received

Corporate

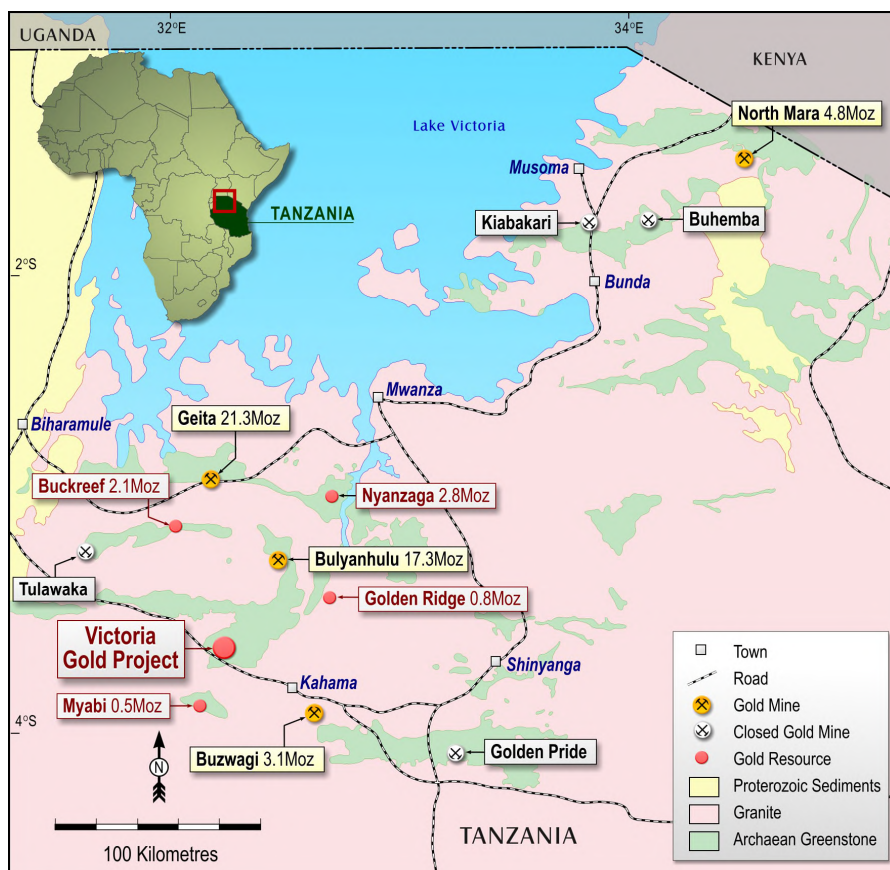
- Oversubscribed Share Purchase Plan raises gross proceeds of \$1.35 million
- Appointment of Mr Philip Reese as the Company's Chief Executive Officer

Victoria Gold Project (VGP) Heads of Agreement, Tanzania

As announced on 26 June 2016, Manas executed a binding Heads of Agreement (“HOA”) to purchase the Victoria Gold Project (“VGP”) in Tanzania from Cienega S.A.R.L (“Cienega”) for total consideration of US\$4.0M (“Transaction”) consisting of:

- US\$200,000 non-refundable deposit (“Non-Refundable Deposit”);
- US\$1.8 million in cash (“Cash Component”); and
- US\$2.0 million in fully paid ordinary shares in Manas at an issue price of A\$0.002 per share (“Consideration Shares”).

The Transaction is conditional upon completion of technical and legal due diligence to the satisfaction of Manas in its sole discretion, Cienega perfecting title to the VGP licenses and transferring the licenses clean and unencumbered to Manas and other conditions precedent customary to a transaction of this nature, including shareholder and regulatory approvals.



The VGP comprises an extensive holding strategically located in the prolific Lake Victoria Gold Field of northern Tanzania. The Project includes a large number of license areas previously owned by international mining companies such as Barrick Gold (now Acacia Mining), AngloGold Ashanti and Resolute Mining, which are currently held in several Tanzanian companies. Manas is continuing to work with Cienega on restructuring the ownership of the licences.

While the license transfer process is progressing, the large number of licenses involved and complex legal process means that the Transaction will take some time to complete and is dependent on resolving legal and taxation issues. Manas expects to provide further advice on the Transaction progress in November.

The VGP hosts a number of significant gold occurrences, including several which have previously had resource estimates reported. As part of the due diligence process, Manas engaged Haren Consulting to undertake a detailed review of the various gold deposits to assist in the planning for a rapid restart of exploration activities at the appropriate time.

Manas also initiated a review of the extensive geophysical database using Fathom Geophysics, to identify other quality exploration targets across the VGP area using the known deposits and prospects as reference points. Fathom Geophysics has extensive experience in target generation through re-evaluating and enhancing historical geophysical data sets and integrating this information with available satellite imagery, geochemical information and structural interpretations.

As previously announced, Manas engaged Independent Metallurgical Operations to review the historical metallurgical information for the project. As part of its recommendations, diamond core drilling would be a priority, following settlement of the transaction, to generate additional samples for metallurgical testwork as a precursor to a scoping study to assess the development potential of the various gold deposits within the VGP.

Following completion of technical due diligence, including by third party consultants, the Company will provide a further update on the prospectivity of the VGP.

Shambesai Gold Project, Kyrgyz Republic

Manas announced the signing of two separate agreements on 31 August 2016 relating to sale of its assets in the Kyrgyz Republic for a total consideration of US\$10.5 million (approximately A\$14 million).

GGMRD Transaction

Manas has executed a binding Term Sheet with Chinese State-owned enterprise, Guizhou Geological and Mineral Resources Development Company Limited (“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. 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 million with a US\$500,000 deposit (refundable in very limited circumstances) already received and the balance of US\$9,500,000 due on completion, anticipated to occur around 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 (and subsequently extended to 10 October 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.

Post quarter end, GGMRD advised the Company that its due diligence investigations were completed to its satisfaction and it will now finalise the process of seeking the various regulatory approvals required to complete the transaction. Both parties are working towards settlement of the transaction towards the end of November 2016.

Corporate

On 30 June 2016, the Company announced a Share Purchase Plan ("SPP") which closed on 22 July substantially oversubscribed. In recognition of the strong support from shareholders, the Board accepted oversubscriptions resulting in gross proceeds of \$1.35 million from the SPP. At the end of the quarter, the Company's cash position was \$0.9 million.

During the quarter, Manas's Board confirmed Mr. Philip Reese's position as CEO on revised terms with effect from 1 July 2016. Philip's focus will be on the exploration and development of the exciting VGP, which will become the Company's sole asset.

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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 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 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.

Mineral Interests of the Manas Group at 30 September 2016

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%
Tashbulak	4188 AP	CJSC Landmark	100%
Savoyardy (Exploration)	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 June 2016 quarter.