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ASX RELEASE / MEDIA RELEASE

UPDATE ON THE ACQUISITION OF THE VICTORIA GOLD PROJECT IN TANZANIA

SUMMARY

- ◆ Successful oversubscribed share placement completed
- ◆ US\$200,000 deposit paid for Victoria Gold Project acquisition
- ◆ Acquisition comprises a significant holding of over 350km² 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 Tanzania
- ◆ Technical and legal due diligence underway
- ◆ Negotiations with parties interested in developing the Shambesai Project are progressing with the increased interest driven by improved sentiment towards gold projects

Manas Resources Limited (“Manas” or the “Company”) is pleased to provide the following update on the acquisition of the Victoria Gold Project (“VGP” or “Project”). The VGP comprises an extensive holding strategically located in the prolific Lake Victoria Gold Field of northern Tanzania. The Project is to be acquired from Cienega SARL (“Cienega”) subject to completion of due diligence by Manas and successful transfer of title (see ASX Announcement dated 27 June 2016).

Acquisition Process and Due Diligence

The oversubscribed share placement, which successfully raised A\$657,000 (see ASX Announcement 30 June 2016), has been completed with US\$200,000 subsequently paid to Cienega as a deposit for the VGP acquisition. Manas is currently working with Cienega to finalise a timetable for the acquisition process.

Manas has also commenced a detailed due diligence review of the extensive VGP database which consists of a wealth of information including:

- Detailed geophysical surveys which have outlined a number of significant regional features
- Extensive geochemical surveys
- Geological mapping
- Multiple campaigns of exploration drilling
- Metallurgical testwork
- Environmental studies

Manas is pleased to announce a number of key appointments with respect to its technical due diligence program. Mr Bob Perring, a well-respected exploration geologist, has been engaged to manage the review of the VGP's exploration potential. Manas has also appointed CSA Global, an international geological and mining consultancy with extensive project experience in Tanzania and expertise in the evaluation of gold projects globally, to conduct a review of the drill hole database and technical information, including previous resource models and development concepts. IMO Metallurgical Consultants has been engaged to review the previous metallurgical testwork.

In parallel with the technical due diligence program, Manas will complete legal due diligence over coming weeks with a view to completing the acquisition as soon as practicable.

Victoria Gold Project

The package of licenses making up the VGP covers an area of approximately 350km² and includes resource projects previously owned by international mining companies such as Barrick Gold (now Acacia Mining), AngloGold Ashanti and Resolute Mining located close to currently operating large scale gold mines. The Project can be easily accessed by road from Mwanza, Tanzania's second largest city approximately 140 kilometres to the northeast. The operating gold mines in the region have contributed to a significant improvement in the regional road network over recent years.

The geology of the VGP is broadly similar to other Archaean greenstone-hosted gold deposits found throughout the world and comprises a number of east-west trending greenstone belts separated by granite-gneiss terrains. Gold mineralisation is controlled by a combination of favourable host rocks such as banded iron formation, quartz reefs and porphyries within suitable structural settings.

Exploration Potential

Recent gold discoveries and mine developments within the region have mainly been based on re-evaluation and extensions of historic gold mines and deposits (e.g. Geita, Bulyanhulu, Golden Pride and North Mara). More recently, the search for gold mineralisation has extended further away from the historic gold mining districts and has resulted in success from the first phase of systematic regional exploration with significant discoveries such as Tulawaka, Myabi, Buswagi and Nyanzaga. The VGP represents an outstanding opportunity for Manas to acquire a large and strategically located land position within a world-class gold province with a comprehensive exploration database from the previous owner's activity to focus on the potential for expansion of previously identified mineralisation.

Previous owners had identified potential for high grade gold mineralisation suitable for open pit extraction to underpin a potential near-term production strategy for the VGP. Based on initial review, Manas believe that, in addition to previous exploration success, potential exists for the identification of additional regional targets within the Project area through extensive geophysical and geochemical surveys and follow-up auger, RAB, RC and diamond core drilling. Once the VGP acquisition is completed, these targets will be drill tested to establish the significance of shallow gold mineralisation identified from the previous exploration work.

The VGP therefore presents Manas with a large, early stage gold exploration portfolio in Tanzania's main gold mining region. The Project encompasses many areas adjacent to known gold deposits where experience has shown from other parts of the world (e.g. Yilgarn Block of Western Australia) that significant new discoveries can be made with a focused and systematic application of modern mineral exploration techniques.

Shambesai Development

The Board of Manas does not believe recent and current trading in the Company's shares correctly reflects the intrinsic value of the Company's Shambesai Gold Project in Kyrgyzstan ("Shambesai"). As a consequence, the Board is actively investigating opportunities to extract value from the project through partnership, joint venture or divestment.

The decision to acquire the VGP is motivated by the creation of an exciting near-term opportunity to grow the Company and restore shareholder value. The VGP transaction also has the potential to unlock additional value from Shambesai by leveraging off a stronger balance sheet and places the Company in a much better position to negotiate with potential partners and/or purchasers.

Following due diligence visits by a number of parties, Manas is undertaking detailed discussions with respect to how to bring the project into production in the near term and how to maximise value to shareholders in light of the VGP acquisition. Manas aims to provide further updates to the market as to the progress of these discussions as soon as practicable.

Share Purchase Plan and Future Funding

In recognition of the fact that many shareholders currently hold unmarketable parcels of shares, the Company has initiated a Share Purchase Plan offer to provide an opportunity for those who wish to participate in the future growth of the Company to acquire additional shares without incurring brokerage costs or other transaction costs.

Manas is investigating additional funding opportunities and notes the recent substantial shareholder notice received from Resolute Mining Limited ("Resolute", ASX: RSG) (see ASX announcement dated 30 June 2016). Initial discussions with Resolute indicate that it is supportive of the VGP acquisition and, subject to ongoing negotiations and completion of the acquisition, may provide support to Manas in any future capital raising required to fund the cash component of the VGP acquisition as detailed in the ASX announcement of 27 June 2016.

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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.