Manas Resources Limited (“Manas” or “the Company”, ASX: MSR) provides the following report on activities for the December 2016 Quarter.

SUMMARY

Victoria Gold Project (VGP) Heads of Agreement, Tanzania

- Agreement to acquire the advanced-stage VGP in Tanzania progressing towards completion

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

- Sale successfully completed of the Company’s Australian subsidiary Manas Holdings (Kyrgyz) Pty Ltd, which owns the SGP, for US$10M to Chinese state-owned enterprise Guizhou Geological and Mineral Resources Development Company Limited (“GGMRD”) and its nominee Tianli International Mining Co., Limited;
  - First instalment of US$4.6M (net of US$0.5M deposit) received in late December 2017
  - Second instalment of US$4.9M secured under an interest bearing deferred payment agreement - repayment scheduled in early April 2017
  - Savoyardy assets sold to local Kyrgyz company NewGeo Technology LLC with Manas to receive 50% of net proceeds from any future on-sale by NewGeo.

Corporate

- Appointment of Mr David Kelly as Non-Executive Director following retirement of founding Director, Mr Colin Carson
- Cash balance of $7M as at 31 December 2016
1. **Victoria Gold Project (VGP) Heads of Agreement, Tanzania**

As previously 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").

The transaction remains 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.

![Map of Tanzania with Victoria Gold Project highlighted]

*Note: Licence area is indicative and subject to change*

The Project includes a large number of licenses previously owned by international mining companies, which are currently held in several Tanzanian companies including a number in joint venture arrangements with external parties. Manas is continuing to work with Cienega to consolidate the licence areas into a single entity, which at completion will form the basis of the Transaction.

While the license transfer process is progressing, the large number of licenses involved and complex legal process has prolonged the previously anticipated completion date of the Transaction. Manas expects to provide further advice on the transaction progress in in early February 2017.

A detailed announcement on the findings from the technical due diligence program is nearing completion and will be released to the market in early February.

2. **Shambesai Gold Project (SGP), Kyrgyz Republic**

During the quarter, Manas successfully completed the disposal of its Kyrgyz mineral assets.
a. GGMRD Transaction

The sale of Company’s Australian subsidiary Manas Holdings (Kyrgyz) Pty Ltd, which owns the SGP, to Chinese State-owned enterprise Guizhou Geological and Mineral Resources Development Company Limited ("GGMRD") and its nominee, Tiandi International Mining Co., Limited ("Purchaser") was completed in late December.

Completion of the sale transaction was effected on 23 December 2016 with Manas receiving the first instalment proceeds of US$4.6M (a deposit of US$0.5M was previously received). The balance of the transaction proceeds of US$4.9M is deferred to April 2017 under a repayment agreement. Manas retains security over the shares in Manas Holdings (Kyrgyz) Pty Ltd until such time as the outstanding receivable is repaid.

As a result of the transaction completing, ownership of Manas’ assets in the Kyrgyz Republic (excluding the Savoyardy Project) have passed to GGMRD and the Purchaser who are now responsible for the funding of all future activities.

b. Savoyardy Transaction

In a second separate transaction, Manas sold its Savoyardy Project to a local Kyrgyz company, NewGeo Technology LLC (“NewGeo”) for a nominal amount. Manas will receive 50% of the net proceeds from any future onsale by NewGeo.

3. Corporate

Board changes

During the quarter, Manas appointed David Kelly as a Non-Executive Director. Mr Kelly is a geologist and experienced Company Director, and is currently General Manager of Corporate Strategy at ASX-listed gold miner Resolute Mining Limited. He has served in various senior executive roles in the resources sector over the past 30 years including as an investment banker and corporate advisor. He is also a Non-Executive director of ASX-listed company Predictive Discovery Limited.

Mr Kelly replaced Colin Carson, a founding director of the Company, who resigned due to increasing work commitments.

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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 the exploration or 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-listed gold company that recently entered into an agreement to acquire the Victoria Gold Project (“VGP”) in Tanzania. The VGP comprises an extensive 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 of northern Tanzania.
### Mineral Interests of the Manas Group at 31 December 2016

<table>
<thead>
<tr>
<th>Licence</th>
<th>Licence Number</th>
<th>Registered Holder</th>
<th>Legal and Beneficial Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tolubay</td>
<td>AR 2533 (Au-171-02)</td>
<td>CJSC Z-Explorer</td>
<td>0%</td>
</tr>
<tr>
<td>Isfairamsai</td>
<td>AP 235</td>
<td>CJSC Z-Explorer</td>
<td>0%</td>
</tr>
<tr>
<td>Tashbulak</td>
<td>4188 AP</td>
<td>CJSC Landmark</td>
<td>0%</td>
</tr>
<tr>
<td>Savoyardy (Exploration)</td>
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<td>CJSC Savoyardy</td>
<td>0%</td>
</tr>
<tr>
<td>Shambesai Mining Permit</td>
<td>3164 AE</td>
<td>CJSC Z-Explorer</td>
<td>0%</td>
</tr>
</tbody>
</table>

All mineral interests in the Kyrgyz Republic were disposed of during the quarter.