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ASX RELEASE / MEDIA RELEASE

REVISED TERMS SHEET SIGNED FOR VICTORIA GOLD PROJECT ACQUISITION

SUMMARY

- ◆ Acquisition of the VGP has further progressed, with the execution of a revised binding Terms Sheet
- ◆ Staged consideration of \$US1.8 million cash, and US\$2.0 million of Manas shares based on license transfer milestones
- ◆ Manas to assume operational control of the VGP
- ◆ Due diligence and comprehensive technical review proceeding

Manas Resources Limited (ASX: MSR) ("Manas" or "Company") refers to its previous ASX announcements of 27 June 2016 and 12 July 2016 in relation to a binding Heads of Agreement ("HOA") to purchase the Victoria Gold Project ("VGP" or "Project") in Tanzania from Cienega S.A.R.L ("Cienega") ("Transaction"). Manas is pleased to advise that a Binding Terms Sheet has been signed to progress and implement the Transaction.

Transaction

The VGP comprises an extensive holding strategically located in the prolific Lake Victoria Gold Field of northern Tanzania (Figure 1).

The Project includes a number of license areas previously owned by international mining companies which are currently held in two Tanzanian companies controlled by Cienega, held in other entities controlled by Cienega, or held in joint venture with other parties. The Transaction will be implemented by Manas acquiring the two Tanzanian companies holding the majority of the licences ("Target Companies"). As part of the Transaction, Cienega will then facilitate a process whereby those licenses within the VGP package which are not presently wholly owned by the Target Companies, will be transferred into the Target Companies. In addition, Manas will acquire a number of physical assets, including a camp, vehicles and intellectual property.

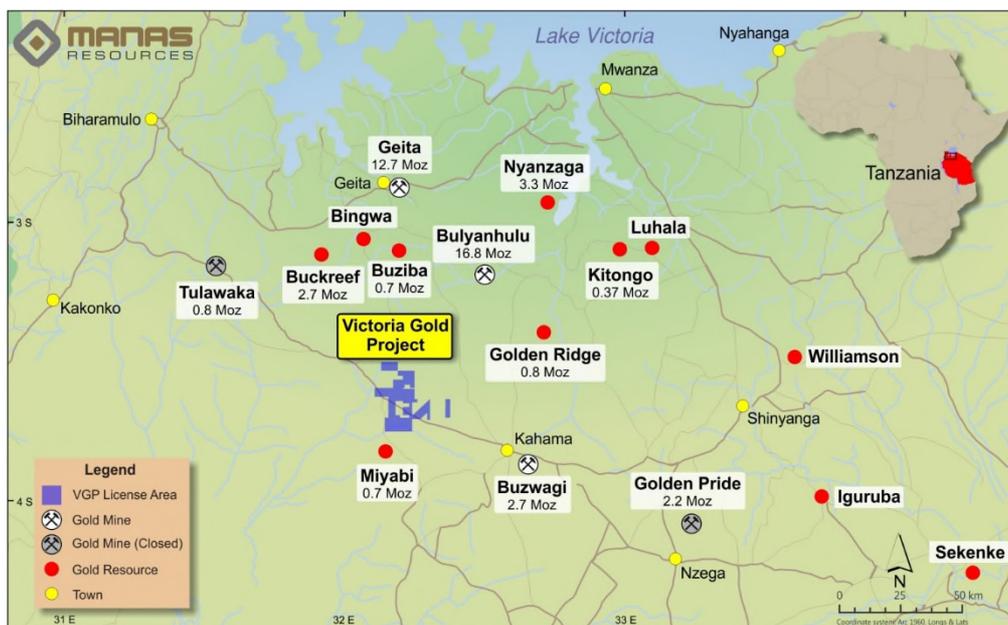


Figure 1: Victoria Gold Project Location Map

Transaction Terms

Manas and Cienega have executed a Binding Terms Sheet to implement the Transaction, which revises the terms previously announced in a Heads of Agreement (refer ASX announcement dated 27 June 2016). The key terms of the Binding Terms Sheet are:

- Consideration:** acquisition of the Target Companies and physical assets forming the VGP for cash consideration of US\$1.8 million. US\$0.8 million payable upon execution of a formal Share Purchase Agreement (“SPA”) and US\$1.0 million payable on completion of the Transaction.
- Operations:** Manas will assume immediate operational control of the VGP, and fund current exploration expenditures by way of a loan agreement with Cienega for up to US\$0.5 million. The loan will be repayable to Manas in the event that Cienega cannot meet its obligations regarding transfer of ownership of the Target Companies or VGP assets in general within a 12 month period resulting in the Transaction failing to complete.
- License Transfer:** Manas to enter into a Consultancy Agreement with Cienega to facilitate the transfer of those licenses to the Target Companies which are not wholly owned by the Target Companies. Cienega (or its nominees) to be issued with US\$2.0 million of performance rights which will vest into fully paid ordinary shares in Manas at a deemed issue price of A\$0.002 per share (as previously agreed) upon transfer of certain key licenses identified by Manas and transfer of shares in the Target Companies.
- Conditions Precedent:** Completion of due diligence by Manas, regulatory approvals, gaining Tanzanian tax clearance, transfer of key licenses.

SPA

Manas anticipates that the SPA will be executed by 31 March 2017 and the Transaction to be completed within the next 12 months, subject to timing of the license transfer process.

VGP License Package

As part of its due diligence, Manas has reviewed all available technical information on the VGP and has prioritised licence areas for the transfer process along with areas for relinquishment. This review has resulted in a reduced licence area covering some 280km² (the final area will depend on approval for a number of licenses currently either under application or being released) It is anticipated that the outline shown in Figure 2 will generally form the basis of the licence area for the Transaction at completion.

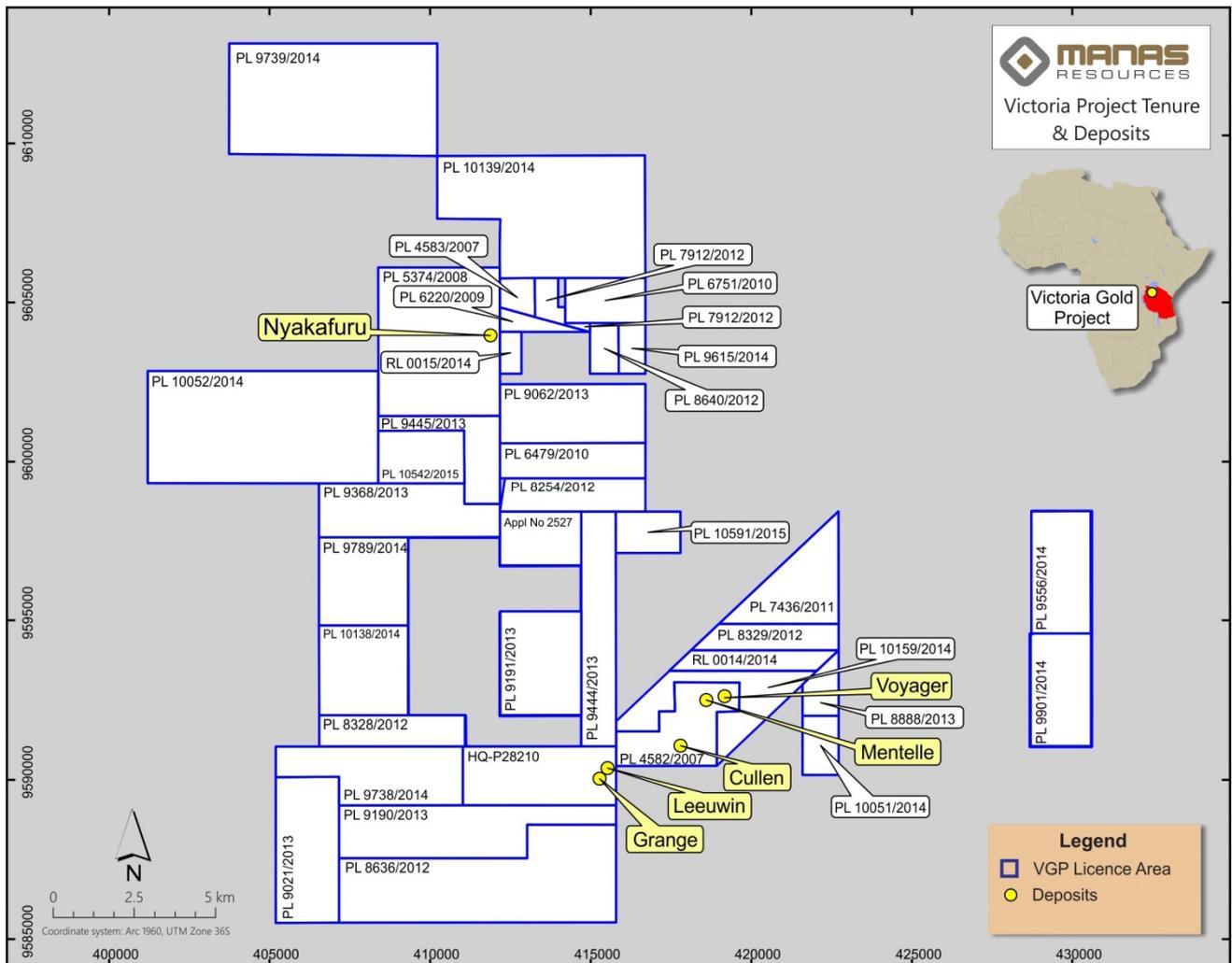


Figure 2: Victoria Gold Project License Area

Due Diligence

As highlighted in Figure 2, the VGP hosts a number of significant gold occurrences, including several which have previously had resource estimates reported. Manas engaged Haren Consulting to undertake a detailed review of the various deposits to assist in the planning and rapid restart of exploration activities.

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 interpretation.

Manas also engaged Independent Metallurgical Operations Pty Ltd (“IMO”) to review the historical metallurgical information. As part of its recommendation, diamond core drilling is planned to commence as soon as practicable to generate additional samples for metallurgical testwork as a precursor to technical and engineering studies to assess the development potential of various gold deposits within the VGP.

A detailed announcement on the outcome of this technical review work is being compiled and will be released once final reports are received from the various consultants involved.

For further information, please contact:

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