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## **JUNE 2017 QUARTERLY ACTIVITIES REPORT**

Manas Resources Limited ("Manas" or "the Company", ASX: MSR) is pleased to provide the following report on activities for the June 2017 Quarter.

### **SUMMARY**

#### **Victoria Gold Project (VGP) Agreement, Tanzania**

- Acquisition of the VGP progressed with execution of formal agreements
- Manas assumed operational control of the VGP
- Loan agreement executed to fund up to US\$0.5 million on initial operations at the VGP until completion
- Site geological activities underway
- Review of recent legislative changes with respect to the legal and fiscal framework governing the natural resources sector in Tanzania in progress

#### **Corporate**

- Mr Susmit Shah appointed as a non-executive director following retirement of Mr Justin Lewis
- Cash balance of \$10.6M at 30 June 2017

## 1. Victoria Gold Project (VGP) Heads of Agreement, Tanzania

As announced on 13 April 2017, formal agreements (“Agreements”) for the acquisition of the Victoria Gold Project (“VGP”) in Tanzania were signed (“Transaction”). The Agreements are on similar terms to the revised terms previously announced to the ASX on 31 January 2017.

The cash consideration for the acquisition of the wholly owned VGP licenses (refer to Table 1 and Figure 1) and physical assets is US\$1.8million, with a US\$0.8million pre-payment made immediately following signing of the Agreements. The remaining US\$1.0 million is payable at completion of the Transaction, once all wholly owned licenses are transferred to subsidiaries under the control of Manas.

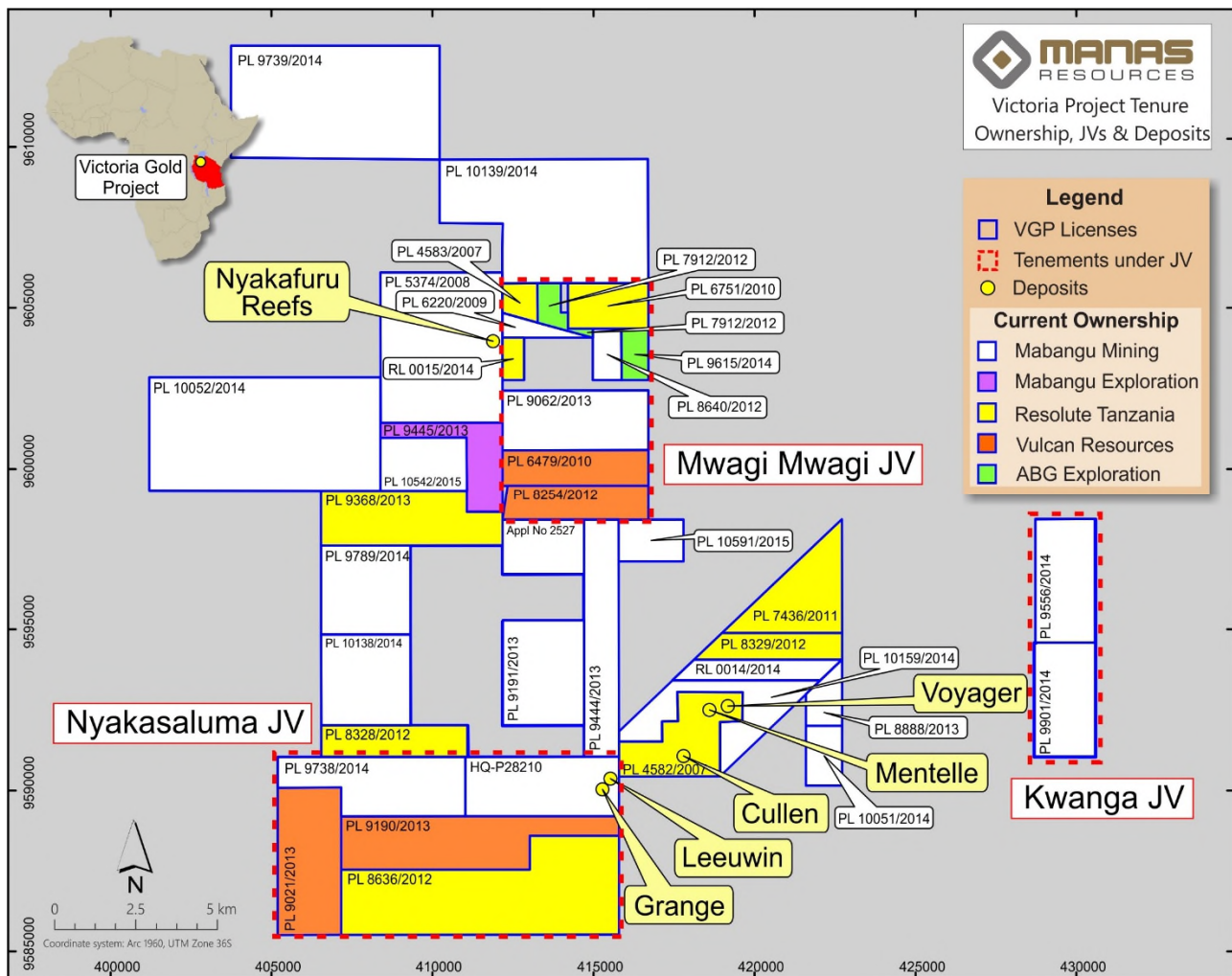


Figure 1: Victoria Gold Project Licenses (license area is indicative and subject to change)

Subject to shareholder approval, Manas will issue US\$2 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 upon transfer of other key licenses which are not wholly owned (refer to Table 1 and Figure 1). Manas is currently preparing a Notice of Meeting including an Independent Expert’s Report seeking shareholder approval for the issue of the Performance Rights and the consequential issue of shares upon vesting of the rights.

Manas is in the process of taking control of a local shell company which will become the vehicle for the Transaction. It is anticipated that the VGP licenses will be progressively transferred into this entity as the Transaction progresses.

The VGP comprises a strategic holding of some 38 licenses covering over 250 km<sup>2</sup> within the prolific Lake Victoria Gold Field of northern Tanzania.

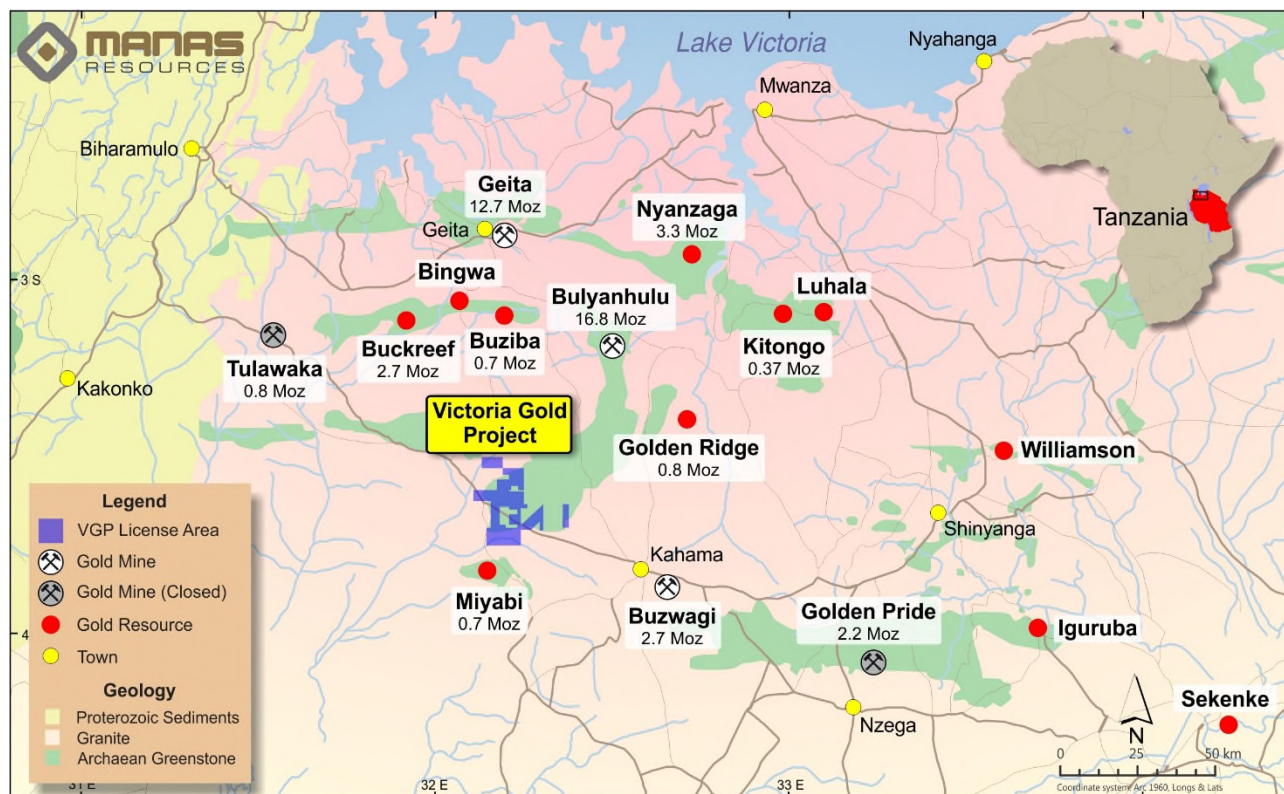


Figure 2: Location and geological setting of the Victoria Gold Project (license area is indicative and subject to change)

Key attributes of the VGP include:

- 4 known gold deposit areas with significant, drill defined mineralisation;
- an extensive and comprehensive exploration database;
- multiple drill-ready targets;
- excellent potential for the rapid expansion of known gold deposits;
- previous resource estimates and technical evaluations providing a fast-track to development; and
- pre-existing environmental permits to facilitate rapid approval of mining rights.

The execution of the Agreements allowed Manas to commence a more detailed technical evaluation program of the VGP. Accordingly, under the terms of a loan agreement, Manas can fund up to US\$0.5 million on initial operations at the VGP until completion. Following signing of the agreement in early April, Manas has taken operational control of the Project and has commenced a comprehensive technical review of previously conducted exploration and feasibility work.

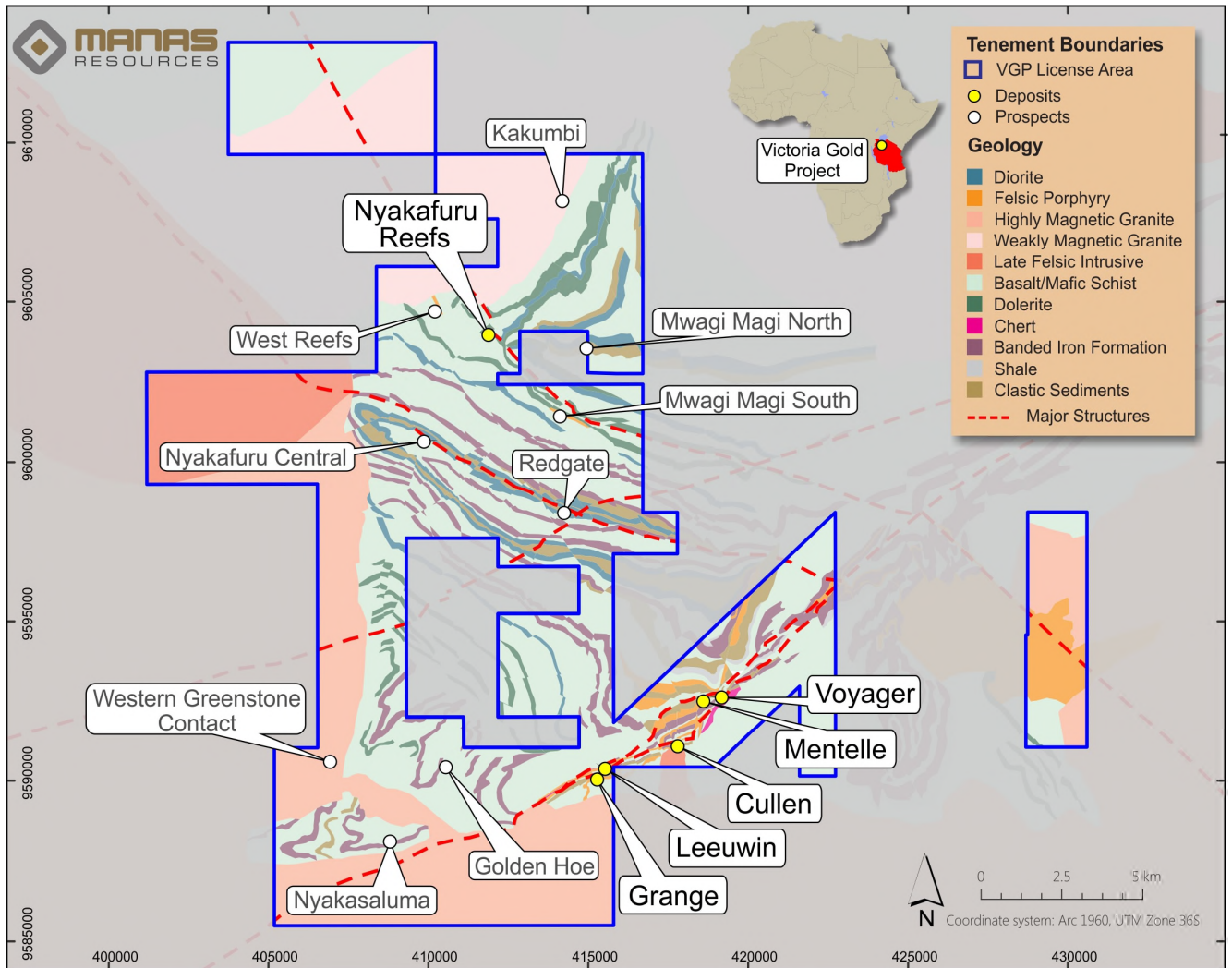


Figure 3: Geology and main prospect areas within the Victoria Gold Project (license area is indicative and subject to change)

A site geological team has been established and is currently re-logging drill core, updating interpretations of the gold deposits and generating new geological models. The work program targeted at expanding the potential deposit area around the key Nyakafuru Reefs gold deposit (Figure 3) will commence in the September quarter with soil sampling and ground magnetic surveys proposed over the adjacent reefs outside of the currently defined deposit.

Manas has drawn up provisional plans for a short drilling program at Nyakafuru Reefs to provide samples for metallurgical testwork and to validate the historical drill hole results and at Nyakasaluma to further define the extent of the mineralisation discovered in earlier exploration work.

Manas has commenced a re-evaluation of the historical resource estimates reported by previous owners on the Nyakafuru, Voyager/Mentelle and Leeuwin/Grange deposits. Haren Consulting, who assisted in the due diligence process, has been appointed to undertake this work. The revised estimates will provide a basis for the future evaluation of the economic potential of the VGP.

Manas with the assistance of its legal advisers is also conducting a review on the potential impact arising from the legislative amendments with respect to the legal and fiscal framework governing the natural resources sector in Tanzania. The legislation, in the form of three bills, was passed by the Tanzanian Parliament on 3rd and 4th July 2017 and has subsequently received presidential assent to be enacted as law.

Initial reviews of this legislation indicate that while it will have a limited direct impact on companies conducting exploration activities, it is likely to slow the finalization of the VGP transaction while a new Mining Commission tasked with overseeing issuing licenses is formed. It is expected this process will be finalised by November 2017. Any ongoing impact of the legislation on project developments such as might exist within the VGP area will remain unclear until detailed regulations are developed which will be used to back-up the new legislation.

For further information, please contact:

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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 a well-funded, Australian-listed gold company that is in the process of completing the acquisition of the Victoria Gold Project ("VGP") in Tanzania following the successful divestment of its Kyrgyzstan gold assets for US\$10 million. 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 30 June 2017

Manas has entered into an agreement to purchase the licences associated with the VGP as indicated in Table 1. These licences are expected to form the majority of the area covered by the VGP. However the form and extent of the final package may vary as a result of work currently underway to rationalise and consolidate the licence package.

Table 1: Victoria Gold project licences

Licence No	Company	JV Area	Area (Sq_km)	Deposit/Occurance /Key Licence
PL10139/2014	Mabangu Mining Limited		21.49	
PL9739/2014	Mabangu Mining Limited		22.68	
PL10052/2014	Mabangu Mining Limited		25.17	
PL9444/2013	Mabangu Mining Limited		7.96	
PL9191/2013	Mabangu Mining Limited		8.16	
PL9789/2014	Mabangu Mining Limited		7.67	
PL10051/2014	Mabangu Mining Limited		1.71	
PL8888/2013	Mabangu Mining Limited		1.76	
PL5374/2008	Mabangu Mining Limited		17.53	Nyakafuru
PL10542/2015	Mabangu Mining Limited		4.38	
PL10138/2014	Mabangu Mining Limited		7.84	
Appl No 02527	Mabangu Mining Limited		4.27	
PL10159/2014	Mabangu Mining Limited		6.38	
RL0014/2014	Mabangu Mining Limited		2.94	
PL9062/2013	Mabangu Mining Limited	Mwagi Mwagi JV	8.01	
PL8640/2012	Mabangu Mining Limited	Mwagi Mwagi JV	1.4	
PL6220/2009	Mabangu Mining Limited	Mwagi Mwagi JV	1.08	
PL9556/2014	Mabangu Mining Limited	Kwanga JV	7.1	
PL9901/2014	Mabangu Mining Limited	Kwanga JV	6.75	
PL9738/2014	Mabangu Mining Limited	Nyakasaluma	8.89	
PL10591/2015	Mabangu Mining Limited		2.59	Redgate
HQ-P28210	Mabangu Mining Limited	Nyakasaluma	8.81	Leeuwijn/Grange
PL9445/2013	Mabangu Exploration Limited		4.41	
PL9368/2013	RTL Limited		8.96	
PL8328/2012	RTL Limited		4.49	Golden Hoe
PL4582/2007	RTL Limited		6.33	Voyager-Mantelle
PL4583/2007	RTL Limited	Mwagi Mwagi JV	1.18	
PL8329/2012	RTL Limited		3.45	
PL7436/2011	RTL Limited		6.58	
RL0015/2014	RTL Limited	Mwagi Mwagi JV	0.91	
PL6751/2010	RTL Limited	Mwagi Mwagi JV	3.53	
PL8636/2012	RTL Limited	Nyakasaluma	20.4	
PL9615/2014	ABG Exploration	Mwagi Mwagi JV	1.33	
PL7912/2012	ABG Exploration	Mwagi Mwagi JV	1.2	
PL8254/2012	Vulcan Resources	Mwagi Mwagi JV	4.8	Redgate
PL6479/2010	Vulcan Resources	Mwagi Mwagi JV	5.01	
PL9021/2013	Vulcan Resources	Nyakasaluma	9.03	
PL9190/2013	Vulcan Resources	Nyakasaluma	11.42	Nyakasaluma

Key Licences

Note:

1. The Joint Venture name refers to an area, the above refers to the licences within the areas
2. Wholly Owned Licences are those held by RTL, MML and MEL