

Manas spin-off to gain from success of Perseus



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Company Name: Manas Resources Ltd

Security code: MSR

Issue price: 20c per ordinary share

Shares on offer: 30 million

Expected offer close date: July 7

Recommendation: None

INVESTORS seldom get the opportunity to be part of a junior explorer that is leveraging off the success of another explorer.

Especially in the precious metals industry, where gold prices have been experiencing a good run lately.

Wise-owl.com analyst Imran Valibhoy says: "The success of Perseus Mining (ASX: PRU) from its exploration efforts in west Africa and central Asia have led the company to spin off its Asian assets into Manas Resources (MSR) so that greater focus can be placed on each asset."

MSR was created to explore existing properties in the Kyrgyz Republic, many at an advanced stage of exploration. Manas has entered into an agreement with Perseus Mining to acquire all of Perseus's interests in the Kyrgyz Republic in exchange for 25 million Manas shares and 12.5 million options.

"Over the last few years, Perseus has spent around \$5 million in the Kyrgyz Republic and achieved a series of positive results.

"This includes the discovery of significant gold mineralisation at the Obdilla and Shambesai prospects, and the delineation of a number of prospects that require follow-up exploration," Valibhoy says. An initial resource base of almost 500,000 ounces has now been outlined at Obdilla, while exploration and drilling are following up the high-grade Shambesai prospect, which has returned spectacular results from channel sampling of up to 42m at 23 grams a tonne gold.

After the discovery of promising gold mineralisa-

tion at Tolubay, Perseus built up its holdings in the south of the Kyrgyz Republic to about 4800sqkm by acquisition.

"Upon listing, Manas will be one of the largest explorers for precious metals in the Kyrgyz Republic with specific focus on the highly prospective south-west," Valibhoy says.

The offer will first be made available to Perseus shareholders before the public. Perseus will hold 42 per cent of Manas on completion. Macquarie Bank will also subscribe for 5 million shares and hold 8 per cent of Manas following the completion of the offer.

"To receive support from a bank such as Macquarie at this stage is a positive sign for the company," Valibhoy says.

Manas's plan for the next 24 months includes drilling at Shambesai with an aim to target an initial resource estimate in the first half of 2009. MSR will also look to target the mineralised corridor on the Tolubay project and perform scoping studies for Obdilla and possibly include the Shambesai area.

