



## CORPORATE GOVERNANCE STATEMENT

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This statement summarises the main corporate governance practices in place following the merger of Manhattan Corporation Limited and Manhattan Resources Pty Ltd on 21 July 2009, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

### 1. BOARD OF DIRECTORS

#### 1.1 Role of Board and Management

#### *ASX Principle 1*

The Board of Manhattan Corporation Limited ("Manhattan") is responsible for its corporate governance, that is, the system by which the Company is managed. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

To assist the Board to carry out its functions, it has developed a Code of Conduct to guide the Directors and key executives in the performance of their roles. The Code of Conduct is detailed in Section 4.1 of this Statement.

The Board represents shareholders' interests in developing and then continuing a successful mineral resources business, which seeks to optimise medium to long term financial gains for shareholders. By not focusing on short term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Company is managed in such a way to best achieve this desired result. Given the size of the Company's exploration and development activities, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Company, establishing goals for management and monitoring the achievement of these goals. The Executive Chairman is responsible to the Board for the day to day management of the Company.

The Board has sole responsibility for the following:

- appointing and removing the Executive Chairman and any other Executive Director and approving their remuneration;
- appointing and removing the Company Secretary/Chief Financial Officer and approving their remuneration;
- determining the strategic direction of the Company and measuring the performance of management against approved strategies;
- reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
- adopting operating and exploration expenditure budgets at the commencement of each Financial Year and monitoring the progress by both financial and non financial key performance indicators;
- monitoring the Company's medium term capital and cash flow requirements;
- approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- determining that satisfactory arrangements are in place for auditing the Company's financial affairs;

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- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Company's corporate governance practices are being continually reviewed and improved as the Company's business develops.

The Board convenes regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

The Board may from time to time, delegate some of its responsibilities listed above to its senior management team.

The Executive Chairman is responsible for running the affairs of the Company under delegated authority from the Board and implementing the policies and strategy set by the Board. In carrying out his responsibilities the Executive Chairman must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's operational results and financial position.

The role of management is to support the Executive Chairman and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

### 1.2 Composition of the Board

### *ASX Principle 2*

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are disclosed in the Directors' Report. Directors are appointed based on the specific professional qualifications, corporate experience, resource industry knowledge and experience, commercial experience, public company management experience, technical and operational skills required by the Company at this time.

The Company's Board currently comprises two Executive and two Non Executive Directors. The two Executive Directors are Mr Eggers, Executive Chairman, and Managing Director Mr Wrixon. The Company recognises the importance of Non Executive Directors and the external perspective and advice that Non Executive Directors can offer.

None of the Board meets the independence criteria under the ASX Corporate Governance Council Recommendations 2.1, as all Directors are either executives, shareholders or have been material professional advisors or consultants to the Company within the last three years. The Board views the shareholdings of Directors as important, although this is outside the ASX Recommendations criteria for independence, as it believes it more correctly aligns the Board with shareholder interests. In considering the independence of Directors, the Board considers issues of materiality and relies on thresholds for qualitative and quantitative materiality as contained in the Board Charter which is disclosed on the Company's web site.

The Board believes the current structure is appropriate given the Company's current size and activities. The existing Directors provide the necessary diversity of qualifications, skills and experience and bring quality and independent judgement to all relevant issues.

Mr Eggers currently holds the position of Executive Chairman which does not comply with ASX Corporate Governance Recommendations 2.2 and 2.3. While the Board recognises the importance of a division of responsibility and independence at the head of the Company, the existing structure is considered appropriate and provides a unified leadership structure. Mr Eggers is the controlling shareholder in the Company, and has been a major force in the current growth and direction of the Company. His in depth knowledge of the uranium industry, his past position in growing a small exploration company into an ASX Top 200 company and his experience and growth strategies presented to the board has led to the conclusion that at this stage of the Company's development he is able to bring quality and independent judgement to all relevant issues, and the Company benefits from his long standing experience of its operations and business relationships.

If the Company's activities increase in size, nature and scope the size of the Board will be reviewed and the optimum number of Directors required for the Board to properly perform its responsibilities and functions will be re assessed.

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The Board acknowledges that a greater proportion of independent Directors is desirable over the longer term and will be seeking to demonstrate that it is monitoring the Board's composition as required.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual's background, experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next Meeting of shareholders. Under the Company's Constitution the tenure of Directors (other than Managing Director) is subject to reappointment by shareholders not later than the third anniversary following their last appointment. Subject to the requirements of the *Corporations Act 2001*, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

There are procedures in place, agreed by the board, to enable directors in furtherance of their duties to seek professional advice at the expense of the company.

The terms in office held by each director at the date of this Corporate Governance Statement are as follows:

<b>Name</b>	<b>Position</b>	<b>Appointed</b>
Alan J Eggers	Executive Chairman	2009
Robert C Wrixon	Managing Director	2008
Marcello D Cardaci	Non Executive Director	2007
John AG Seton	Non Executive Director	2009

## **1.3 Responsibilities of the Board**

***ASX Principle 1***

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

### **1.3.1 Leadership of the Company**

Overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.

### **1.3.2 Strategy Formulation**

Working with senior management to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.

### **1.3.3 Overseeing Planning Activities**

Overseeing the development of the Company's strategic plans (including exploration programmes and initiatives) and approving such plans as well as the annual budget.

### **1.3.4 Shareholder Liaison**

Ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.

### **1.3.5 Monitoring Compliance and Risk Management**

Overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the operational and financial performance of the Company.

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## **1.3.6 Company Finances**

Approving expenses in excess of those approved in the annual budget and approving and monitoring acquisitions, divestitures and financial and other reporting.

## **1.3.7 Human Resources**

Appointing, and, where appropriate, removing the Managing Director as well as reviewing the performance of the Managing Director and monitoring the performance of senior management in their implementation of the Company's strategy.

## **1.3.8 Ensuring Health, Safety and Well Being of Employees**

In conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well being of all employees.

## **1.3.9 Delegating Authority**

Delegating appropriate powers to the Executive Chairman to ensure the effective day to day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

## **1.4 Board Policies**

**ASX Principle 3**

### **1.4.1 Conflicts of Interest**

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act 2001*, absent himself from the room when discussion and/or voting occurs on matters about which the conflict relates.

### **1.4.2 Commitments**

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

### **1.4.3 Confidentiality**

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non public information except where disclosure is authorised or legally mandated.

### **1.4.4 Independent Professional Advice**

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

### **1.4.5 Related Party Transactions**

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the *Corporations Act 2001* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

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## 1.4.6 Attestations by the Executive Chairman and Company Secretary

In accordance with the Board's policy, the Executive Chairman and the Company Secretary/Chief Financial Officer make the attestations recommended by the ASX Corporate Governance Council, and s295A of the *Corporations Act 2001*, as to the Company's financial condition prior to the Board signing the Annual Report.

## 2. TRADING IN THE COMPANY'S SHARES (ASX RECOMMENDATION 3.2)

The Company's Securities Trading Policy imposes basic trading restrictions on all employees of the Company with 'inside information', and additional trading restrictions on the Directors of the Company. The Company's Securities Trading Policy was adopted by the Board of the Company at its meeting held in Perth on 1 September 2009.

### 2.1 Introduction

This Securities Trading Policy ("STP") sets out the Company's policy regarding the sale and purchase of Company securities by its Directors, officers, employees and Associates.

A reference in this STP to 'securities' includes shares, options, warrants and any other security the Company has on issue from time to time. This STP is separate from, and additional to, the legal constraints imposed by the common law, Corporations Act and ASX Listing Rules. Individuals have a responsibility to understand these legal constraints.

Associate is as defined in the ASX Listing Rules and the *Corporation Act 2001*.

Directors, officers, employees and Associates are encouraged to be long term holders of the Company's securities. However, it is important that care is taken in the timing of any acquisition or sale of such securities.

The purpose of this STP is to assist Directors, officers, employees and Associates to avoid trading when it's not permitted, conduct known as 'insider trading' and to avoid any adverse inference being drawn of unfair dealings by Directors, officers, employees and Associates.

This STP provides:

- a description of what conduct may constitute insider trading;
- a description of the safest times for Directors officers, employees and Associates to buy or sell securities in the Company in order to minimise the risk of insider trading;
- a description of the times when Company policy may prohibit trading in the Company's securities; and
- the steps for Directors, officers, employees, Associates and Restricted Employees to take when buying or selling securities in the Company.

### 2.2 What is Insider Trading?

#### 2.2.1 Prohibition

In broad terms, a person will be guilty of insider trading if:

- (a) That person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of a company's securities (i.e. information that is 'price sensitive'); and
- (b) That person:
  - (i) buys or sells securities in the Company;
  - (ii) procures someone else to buy or sell securities in the Company; or
  - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

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Information is 'generally available' where information is:

- readily observable; or
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the Company's securities or securities of a kind similar to the company's securities, and a reasonable period has elapsed to allow the information to be disseminated; or
- able to deduced, concluded or inferred from those types of information.

### **2.2.2 Penalties**

Insider trading is a criminal offence.

The criminal penalties for a breach of the insider trading prohibition include:

- for an **individual** a fine of up to \$200,000 and a jail term of up to 5 years; and
- for a **corporation** a fine of up to \$1,100,000.

In addition, the insider trader, and any other persons involved in the contravention, may also be liable to compensate third parties for any resulting loss.

### **2.2.3 Examples**

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- a proposed major acquisition, divestment or disposition;
- a significant business development or a proposed change in the nature of the Company's business;
- details of potential litigation that would have a substantial effect on the Company;
- significant field discovery, mineralised drill intersections, highly anomalous assay results or receipt of drilling assays;
- new or revised resource or reserve estimates calculations or yet to be released reports of resource or reserve estimates;
- the likely discovery of a major ore body;
- details of potential significant or material changes to the Company's financial affairs, assets, balance sheet, investments or tenement holdings;
- the actual or proposed divestment or acquisition of a significant quantity of shares by a substantial security holder; and
- corporate activity including merger, takeover or acquisition discussions and advice that could have a substantial effect on the Company.

### **2.2.4 Dealing Through Third Parties**

A person does not need to be a Director, officer or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors, officers, employees and Associates through nominees, agents or other associates, such as family members, family trusts and family companies.

### **2.2.5 Information However Obtained**

It does not matter how or where the person obtains the information, The information does not have to be obtained from the Company to constitute inside information.

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### **2.2.6 Employee Share Plan**

The prohibition does not apply to subscriptions for shares by employees made under an Employee Share Plan. However, the prohibition will apply to the disposal of shares acquired under an Employee Share Plan.

## **2.3 Policy for Trading in the Company's Securities**

### **2.3.1 General Rule**

Directors, officers, employees and Associates of the Company must not buy or sell securities in the Company when they are in possession of price sensitive information which is not generally available to the market.

### **2.3.2 No Short Term Trading in the Company's Securities**

It is also contrary to Company policy for Directors, officers, employees and Associates to be engaged in short term trading of the Company's securities (i.e. buy and sell within a 12 month period).

### **2.3.3 Trading in Products Relating to the Company's Securities**

Directors, officers, employees and Associates are prohibited from:

- trading in financial products issued or created over the Company's securities by third parties, or trading in associated products; or
- entering into transactions which operate to limit the economic risk of their security holdings in the Company; except
- subject to disclosing to the Company, Directors, officers, employees and Associates are permitted to enter into collar arrangements with recognised financial institutions to hold exercised options or shares.

### **2.3.4 Margin Loans, Credit Facilities and Debt Instruments**

Directors, officers, employees and Associates must declare and detail the terms in writing to the Company:

- any margins loans, credit facilities or debt instruments entered into or obtained for the purpose of trading, holding, acquiring or disposing of the Company's securities; or
- any mortgage, bank loans, facilities or credit card loans being utilised mainly for the purpose of trading, holding, acquiring or disposing of the Company's securities.

### **2.3.5 Restricted Employees**

"Restricted Employees" are:

- all employees involved in preparing the Company's statutory financial information; and
- any other employee or consultant determined by the Board from time to time.

### **2.3.6 Safest Times to Deal in the Company's Securities**

There is no particular time during which it is safe to deal in the Company's securities. The sole test is whether, at the particular time, a Director, officer, employee or Associate is in possession of price sensitive information which is not generally available in the market.

As a matter of practice, however, the following periods are the most appropriate times for Directors, officers, employees and Associates to deal in securities in the Company:

- in the four weeks following the release of the Company's Annual Financial Statements and results;
- in the four weeks following the release of the Company's Half Yearly Financial Statements and results; and
- in the four weeks following the Annual Meeting.

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Even at these times, it is important to be aware that there may be occasions when it is not proper for Directors, officers, employees and Associates to deal in the Company's securities because of their knowledge of impending or actual developments which are not known in the market place. There are, of course, times when a company is considering a major event and will not advise the market of this until the occurrence of the event is more certain.

### 2.4 Disclosure Policy for Directors, Officers, Employees, Associates and Senior Executives

Prior to trading in the Company's securities, Directors, officers, employees, Associates and Restricted employees must notify the Chairman of their intention to trade and confirm to the Chairman that they are not in possession of price sensitive information that is not generally available to the market.

Prior to trading in the Company's securities, the Chairman must notify at least two other Directors of his intention to trade and confirm to the Directors that he is not in possession of price sensitive information that is not generally available to the market.

A request by the Chairman, any Director, officer, employee, Associate or Restricted Employee to trade in the Company's securities must be in writing or by email and state the number of securities currently held, the number to be acquired or disposed of, the nature of the proposed transaction (i.e. on market trade, exercise of options, off the market trade, loan of securities, short selling etc), the time period for the transaction to be completed, the intended price range (e.g. prevailing market price, agreed price, no consideration, etc) and disclosure of any other relevant commercial information relating to the proposed transaction(s).

Further, Directors, officers, employees, Associates and Restricted Employees must not trade in the Company's securities until approval has been given by the Chairman (or trading by the Chairman approval by at least two other Directors).

Such approval, or restriction, on trading in the Company's securities must be notified in a timely manner and outline the key reasons and enquiries made to either approve, or restrict, the proposed trading in the Company's securities and the time frame and terms of such approval, or restriction, on trading in the Company's securities.

Approval would not generally be given to trade in the Company's securities during:

- any period where there exists any matter which constitutes unpublished price sensitive information; and
- any period when the proposed dealing is in breach of this STP.

or when:

- the Director, officer, employee, Associate or Restricted Employee's employment, contract or engagement is under review or being terminated; or
- the Director, officer, employee, Associate or Restricted Employee fails to provide the information required in clauses 2.3, 2.4 and 2.5 of the STP or is in breach of the STP.

This procedure should prevent potential embarrassment and adverse publicity concerning trading the Company's shares when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectation.

### 2.5 ASX Notification by Directors

The *Corporations Act 2001* obliges a Director to notify the ASX within 14 days after any dealing in the Company's shares (either personally or through a third party) which results in a change in the relevant interests of the director in the Company's shares.

In addition, under the ASX Listing Rules the Company is required to notify the ASX of such dealings within 5 business days of such dealings taking place. Directors have agreed with the Company to provide notice of such dealings to enable the Company to comply with its obligations under the Listing Rules. A notice by the Company to the ASX under the ASX Listing Rules satisfies the Director's obligations to notify the ASIC under the *Corporations Act 2001*.

Any Director requiring assistance in this regard should contact the Company Secretary.

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### 2.6 Responsibilities

The Chairman and Company Secretary are responsible for maintaining this STP, a register of notifications to trade, approvals, restrictions and compliance with such notifications and, approvals and restrictions and ensuring that the STP is communicated to Directors, officers, employees, Associates and, from time to time, Restricted Employees.

### 3. BOARD COMMITTEES

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Board has however established a framework for the management of the Company including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

If the Company's activities increase in size, scope and nature, the appointment of separate or special committees will be reviewed by the Board and implemented if appropriate.

#### 3.1 Audit Committee

**ASX Principle 4**

The full Board carries out the role of the audit committee. While this is a departure from ASX Corporate Governance Council Recommendations 4.1 and 4.2, it provides a more efficient mechanism based on the size of the Board and the complexity of the Company. The Board follows the Audit Committee charter and there were two meetings during the year set aside to deal with the issues and responsibilities usually delegated to the audit committee so as to ensure the integrity of the Financial Statements of the Company and the independence of the external auditor.

The Board in its entirety reviews the audited Annual Financial Statements and the audit reviewed Half Yearly Financial Statements and any reports which accompany published Financial Statements.

The Board in its entirety considers the appointment of the external auditor and reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

The Board is also responsible for establishing policies on risk oversight and management.

Please refer to the Company's web site to review the Audit Committee charter.

#### 3.2 Remuneration Committee

**ASX Principle 8**

The full Board carries out the role of the Remuneration Committee. While this is a departure from ASX Corporate Governance Council Recommendation 8.1, it provides a more efficient mechanism based on the size of the Board and the complexity of the Company. The Board follows the Remuneration Committee charter and has meetings during the year set aside to deal with remuneration issues.

The responsibilities of the Board in its entirety include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Executive Chairman and Managing Director, reviewing and setting Manhattan's issue of options to employees and consultants, reviewing superannuation arrangements, reviewing the remuneration of Non Executive Directors and undertaking an annual review of the Executive Chairman's performance, including, setting with the Executive Chairman's goals for the coming year and reviewing progress in achieving those goals.

The Company is committed to remunerating its executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Non Executive Directors.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

Please refer to the Company's web site to review the Remuneration Committee charter.

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### 3.3 Nomination Committee

*ASX Principle 2*

The full Board carries out the role of the nomination committee. While this is a departure from ASX Corporate Governance Council Recommendation 2.4, it provides a more efficient mechanism based on the size of the Board and the complexity of the Company. The Board follows the Nomination Committee charter and sets aside time at Board meetings to deal with nomination issues.

The responsibilities of the Board in its entirety include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Board also oversees management succession plans including the Executive Chairman, and evaluates the Board's performance and makes recommendations for the appointment and removal of Directors.

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience in the mining and exploration industry, appropriate to the Company's market. In addition, Directors should have the relevant blend of personal experience in:

- accounting and financial management;
- legal skills; and
- for the Executive Chairman the appropriate business experience.

Please refer to the Company's web site to review the Nomination Committee charter.

## 4. ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Company.

### 4.1 Code of Conduct for Directors and Key Executives

*ASX Principle 3*

The Board has adopted a Code of Conduct for Directors and key executives to promote ethical and responsible decision making. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors.

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company:

- will act honestly, in good faith and in the best interests of the whole Company;
- owe a fiduciary duty to the Company as a whole;
- have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- will act with a level of skill expected from Directors and key executives of a publicly listed company;
- will use the powers of office for a proper purpose and in the best interests of the Company as a whole;
- will demonstrate commercial reasonableness in decision making;
- will not make improper use of information acquired as Directors and key executives;
- will not disclose non public information except where disclosure is authorised or legally mandated;
- will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company;
- will not take advantage of Company property or use such property for personal gain or to compete with the Company;
- will protect and ensure the efficient use of the Company's assets for legitimate business purposes;

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- will not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- have an obligation to be independent in judgment and actions and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- will not engage in conduct likely to bring discredit upon the Company;
- will encourage fair dealing by all employees with the Company's suppliers, competitors and other employees;
- will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- will give their specific expertise generously to the Company; and
- have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

### 4.2 Code of Ethics and Conduct

### *ASX Principle 3*

The Company has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behavior and accountability within the Company.

All Directors and employees are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Company information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions, contribute to the Company's reputation as a good corporate citizen, which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must advise that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established the Code of Ethics and Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, government authorities, creditors and the community as whole. This Code includes the following:

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### **4.2.1 Responsibilities to Shareholders and the Financial Community Generally**

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

### **4.2.2 Employee Practices**

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of the Company's assets or resources.

### **4.2.3 Responsibilities to the Community**

As part of the community the Company:

- is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs;
- encourages all employees to engage in activities beneficial to their local community; and
- supports community charities.

The Company supports the Indigenous Community and:

- is committed to conducting its business in accordance with applicable heritage laws and regulations and encourages all employees to have regard for the specific rights of indigenous communities when carrying out their jobs; and
- encourages all employees to engage in activities beneficial to the indigenous community.

### **4.2.4 Responsibilities to the Individual**

The Company is committed to keeping private information, which has been provided by employees and investors confidential and protecting it from uses other than those for which it was provided.

### **4.2.5 Conflicts of interest**

Employees and Directors must avoid conflicts as well as the appearance of conflicts between their personal interests and the interests of the Company.

### **4.2.6 How the Company Monitors and Ensures Compliance with its Code**

The Board, management and all employees of the Company are committed to implementing this Code of Ethics and Conduct and each individual is accountable for such compliance.

Disciplinary measures may be imposed for violating the Code.

## **5. DISCLOSURE OF INFORMATION**

### **5.1 Continuous Disclosure to ASX**

### **ASX Principle 5**

The continuous disclosure policy requires all executives and Directors to inform the Executive Chairman or, in their absence, the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

Information is not material and need not be disclosed if:

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**5.1.1** A reasonable person would not expect the information to be disclosed or it is material but due to a specific valid commercial reason is not to be disclosed; and

**5.1.2** The information is confidential; or

**5.1.3** One of the he following applies:

- it would breach a law or regulation to disclose the information;
- the information concerns an incomplete proposal or negotiation;
- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for internal management purposes;
- the information is a trade secret;
- it would breach a material term of an agreement, to which the Company is a party, to disclose the information;
- it would harm the Company's potential application or possible patent application; or
- the information is scientific data that release of which may benefit the Company's potential competitors.

The Executive Chairman is responsible for interpreting and monitoring the Company's Disclosure policy and where necessary informing the Board. The Executive chairman and Company Secretary are responsible for all communications with ASX.

### **5.2 Communication with Shareholders**

***ASX Principle 6***

The Company places considerable importance on effective communications with shareholders.

The Company's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. The strategy provides for the use of systems that ensure a regular and timely release of information about the Company to be provided to shareholders. Mechanisms employed include:

- announcements lodged with ASX;
- ASX Quarterly Reports;
- Half Yearly Report and Annual Report; and
- presentations at the Annual General Meeting and General Meetings of shareholders.

The Board encourages the full participation of shareholders at the Annual General Meeting and any General Meetings of shareholders to ensure a high level of accountability and understanding of the Company's strategy and goals.

The Company also posts all reports, ASX and media releases and copies of business and investor presentations on the Company's web site.

## **6. RISK MANAGEMENT**

### **6.1 Identification of Risk**

***ASX Principle 7***

Manhattan operates in the mineral resource and energy sectors where there are a number of risk factors inherent to the Company's operations. The Company mitigates its risk factors primarily by ensuring it has a suitably qualified and experienced Board of Directors with a range of professional qualifications appropriate to the industry and business sector in which it operates.

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Recognition of these risk factors and subsequent effective management, control and reporting of risk are an essential part of the Company's day to day operations to minimise potential losses and create medium to long term shareholder wealth. The Board is responsible for the oversight, adequacy and implementation of the Company's risk management and control framework. Responsibility for internal control and risk management is delegated to the appropriate level of management within the Company with the Executive Chairman and Company Secretary having ultimate responsibility to the Board for the identification of risk, risk management and internal control framework.

Areas of strategic, operational, legal, reporting, compliance, business and financial risks are identified, assessed and continually monitored by executive management to assist the Company to achieve its business objectives. These areas of risk are highlighted in the Business Plan presented to the Board by the Executive Chairman on a regular basis. Arrangements put in place by the Board to monitor risk management include monthly reporting by executive management to the Board in respect of operations and the financial position of the Company and ensuring all legal, reporting and compliance matters and obligations are met.

The main operational risks for Manhattan in the industry and business sector in which it operates have been identified as:

- sovereign risk, legislation and political issues;
- government policies and changes to those policies;
- financial and equity markets stability;
- fluctuating commodity prices and demand;
- fluctuating exchange rates;
- compliance with licence and permit conditions;
- land access, environmental and Native Title issues;
- availability of specialist drilling, laboratory, exploration support and transport services;
- availability of specialist airborne geophysical survey contractors and consultants;
- availability of suitably experienced and qualified professionals, personnel and consultants;
- increasing costs of operations;
- availability of capital and debt facilities; and
- retention of key executives and staff.

These risk areas identified by the Company's Board are provided here to assist shareholders to better understand the nature of the risks faced by the Company, and other companies, in the industry sector in which it operates. They are not necessarily an exhaustive list.

### 6.2 Integrity of Financial Reporting

### *ASX Principle 7*

In accordance with section 295A of the *Corporations Act* the Company's Executive Chairman and Chief Financial Officer report in writing to the Board that:

- the Financial Statements of the Company for each Half Year and Financial Year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the financial records of the Company for each Half Year and Financial Year have been properly maintained and the financial reporting is in accordance with section 295A(2) of the *Corporations Act 2001*;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and

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- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

The Board notes that due to its nature, internal control assurance from the Executive Chairman and Chief Financial Officer can only be reasonable and not absolute. This is due to such factors as the need to apply judgment, reasonable enquiry and practical and efficient internal control systems, inherent limitations to internal control and because much of the evidence available is persuasive and changing rather than conclusive and set and therefore is not and cannot be designed to detect all weaknesses in control procedures.

Internal management accounts are prepared on a monthly basis, full Cash Flow Statements on a quarterly basis and lodged with the ASX and a Half Year audit reviews and Financial Year audits are completed by the Company's independent Auditors. The Half Year and Annual Financial Statements are lodged with ASX and posted on the Company's web site.

### **6.3 Audit and Role of Auditor**

***ASX Principle 7***

The Company's internal preparation for the Half Yearly audit review and the Financial Year audit includes preparing the Financial Statements and accompanying explanatory notes, conducting a series of routine reviews and financial tests and reviewing the carrying values of all assets. The Company's Auditor is required to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

Manhattan provides updates on any changes in its circumstances as and when they occur by continuous disclosure in compliance with the ASX Listing Rules, press releases, investor presentations and making all announcements and corporate information available on the Company's web site.

## **7. PERFORMANCE REVIEW**

***ASX Principle 2***

The Board has adopted and undertaken a self evaluation process to measure its own performance during the Financial Year. This process includes a review of the performance of the Board individually and as a whole, and includes a review in relation to the composition and skills mix of the Directors of the Company.

Arrangements undertaken during the year to monitor the performance of the Company's executives included:

- a review by the Board of the Company's financial performance; and
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.