

Uraniumletter INTERNATIONAL

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Special Situation – November 2011 Update

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Manhattan Corporation Limited (A\$ 0.26)

| | |
|------------------------|------------------|
| ASX | : MHC |
| H+L prices (12 months) | : A\$1.44 – 0.25 |
| Net shares issued | : 91.1 million |
| Fully diluted | : 102.6 million |
| Market Capitalization | : A\$22 million |

Next Price Target: A\$ 0.60

Company Profile

Manhattan Corporation Limited (“Manhattan”) is a well funded Australian based uranium company with a significant recently upgraded Inferred resource of 17.2 million pounds (a 65% increase) at an average grade of 300ppm U₃O₈ and a further drilled potential of 2.5 to 5.5 million pounds U₃O₈, at an average grade of 250 to 450ppm reported for its flagship project, the **Double 8 Deposit** in its 100% owned **Ponton Project** in **Western Australia**.

In addition, mineralization potential for **Stallion South** was reported of 8 to 16 million pounds of U₃O₈ at an average grade of 250 to 350ppm.

For **Highway South** mineralization potential was reported of 8 to 16 million pounds of contained U₃O₈ at an average grade of 250 to 350ppm.

Mineralization potential for the **Ponton Deposit** was reported of 15 to 30 million pounds U₃O₈ at an average grade of 250 to 350ppm.

The Inferred resource of 17.2 million pounds U₃O₈ at Double 8 and the additional reported mineralization potential at Double 8 and Stallion South, Highway South and Ponton prospects in the order of 33 to 67 million pounds, all located in contiguous palaeochannels within Manhattan’s project area at Ponton, demonstrate the potential of the Project to host a world-class ISL sand hosted uranium resource.

The Double 8 Deposit now ranks as number 20 of reported uranium resources in Australia and the 7th largest in Western Australia.

Manhattan's priority is now to formulate a land swap proposal at Ponton, incorporating the principles of the recently announced WA government's Offsets Policy, by having the key licence E28/1898 located mostly within the Queen Victoria Spring Nature Reserve ("QVSNR") excised from the Reserve. Access to E28/1898 will enable Manhattan to recommence drill testing and evaluation of the Double 8 uranium deposit and the Mineralisation Potential identified at Double 8, Stallion South, Highway South and Ponton prospects and enable future development of the Project.

Manhattan also retains a 40% interest in the **Gardner Range Uranium Project** where Northern Minerals and its strategic partner Areva, are operators and earning up to an 80% interest. The Company has recently divested its interest in the **Siccus Uranium Project** in **South Australia**.



Maiden resource estimates for Stallion and Highway prospects, based on Manhattan's 2010 drilling results, are now being modelled by Manhattan's independent resource consultants. Work is underway to establish disequilibrium factors for these prospects and modelling of resource estimates.

Manhattan's strategy for growth is to expand and upgrade its reported sand hosted uranium resources and define new uranium deposits at its flagship Ponton uranium project in Western Australia. The Company plans to continue to drill and develop a number of palaeochannel hosted uranium oxide resources including the Double 8, Stallion, Highway and Ponton uranium deposits, to ISL mine development stage at Ponton.

At the **Stallion prospect**, centred 14 km northwest of the Double 8 Uranium Deposit at Ponton, Manhattan has now completed and gamma logged 221 vertical air core drill holes totalling 16,914 metres of drilling. A total of 2,280 drill samples have been collected and assayed for uranium and a range of elements.

1,177 metres of sonic drilling, in 16 holes, have been drilled along 5 kilometres in the mineralised zone. Sonic drilling returned a number of highgrade intersections in the carbonaceous sands.

The Stallion sonic drill samples were submitted for uranium and multi element analysis to provide assay data and samples to establish disequilibrium factors that enable conversion of the down hole gamma logs to grade eU_3O_8 . The 237 sonic and air core down hole gamma logs at Stallion are now being converted to grade eU_3O_8 and modelled for resource estimate calculations.

At the **Highway prospect**, centred 15 km northeast of the Double 8 Uranium Deposit, Manhattan has now completed 275 vertical air core drill holes and 3 sonic holes totalling 17,814 m of drilling. Anomalous uranium mineralization indicated by the down hole gamma logs, has been encountered in the air core drilling along 10 km of the palaeochannel at Highway.

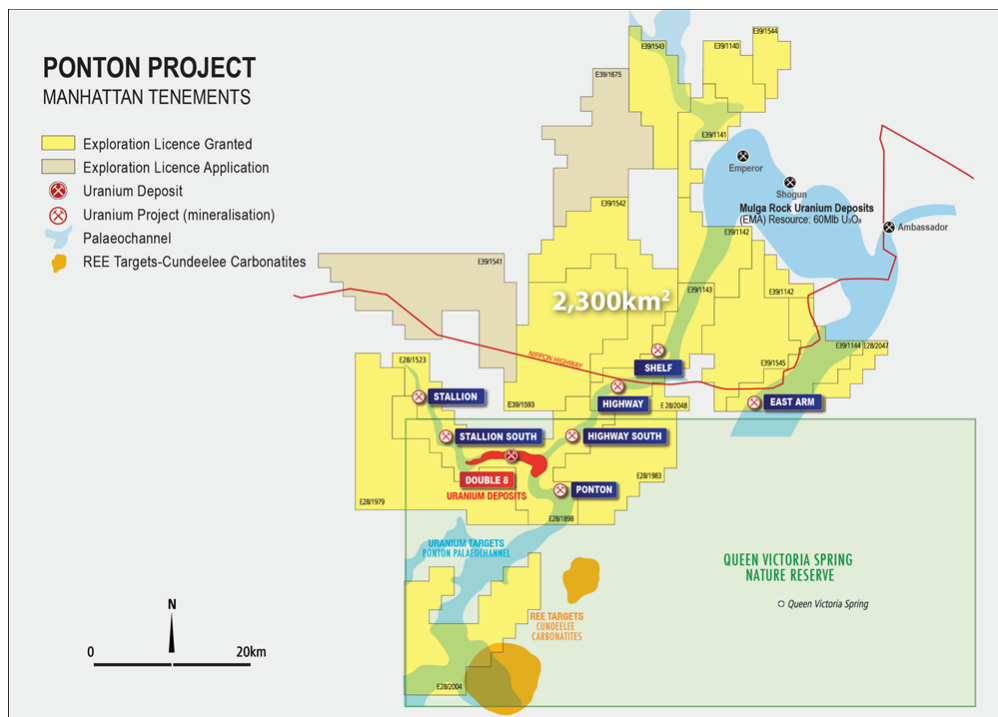
The geological controls and style of the channel sand hosted uranium mineralization at Highway are similar to the uranium mineralization encountered at Stallion and Double 8.

At **Gardner Range**, Northern Uranium (ASX - NTU) has completed an initial RC drill program testing the potential for high grade uranium ore deposition in Manhattan's ground. Northern, with its strategic partner Areva, has the right to earn an 80% interest by sole funding and completing a mining prefeasibility study.

Overview of Projects

➤ Ponton Project, Western Australia

Manhattan's Ponton Project is located approximately 200 km northeast of Kalgoorlie on the edge of the Great Victoria Desert in WA. The Company has 100% control of around 2,300 km² of applications and granted exploration tenements underlain by Tertiary palaeochannels within the Gunbarrel Basin.

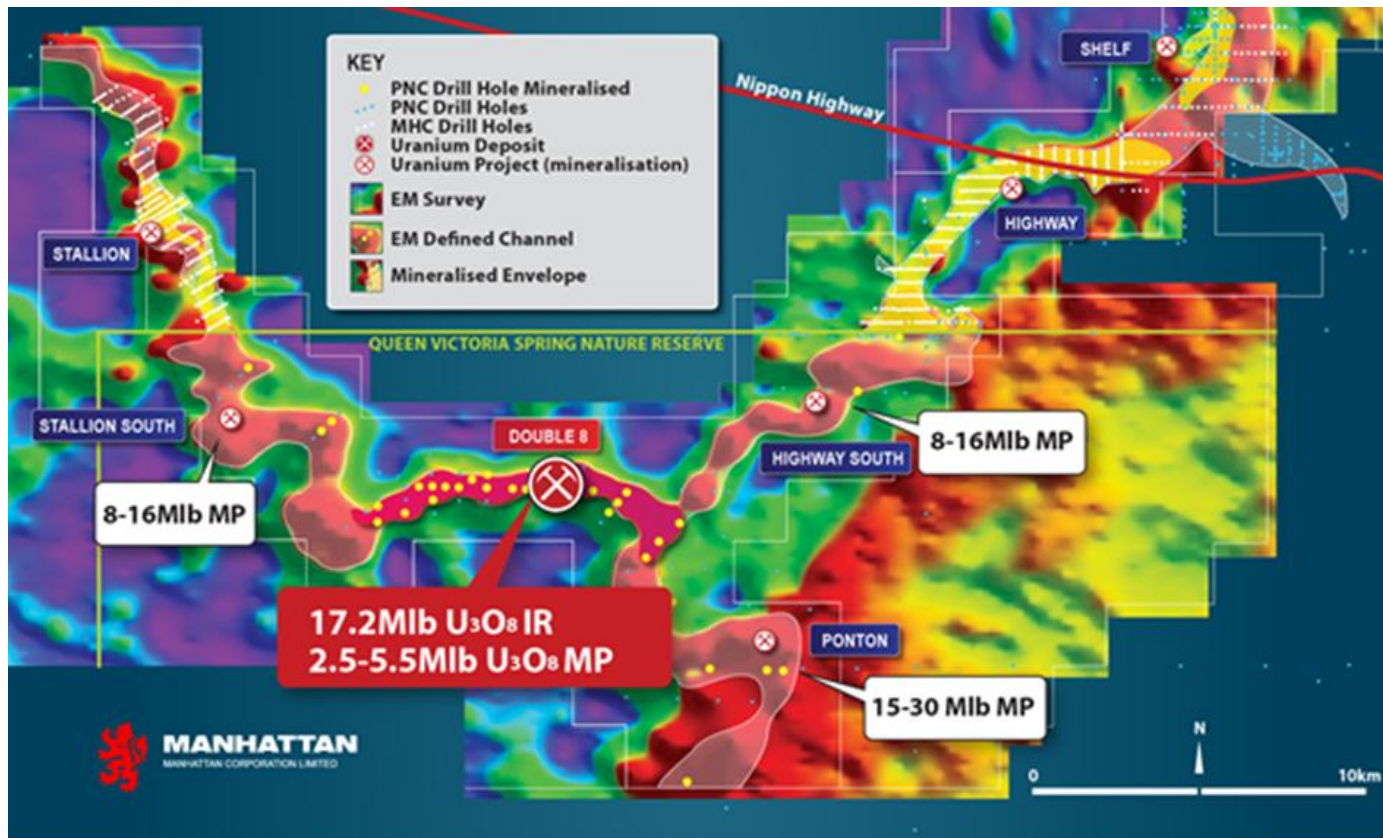


These palaeochannels are known to host a number of uranium deposits and drilled uranium prospects.

The Project includes the Double 8 Uranium Deposit that has a JORC Inferred resource of 17.2Mlb U₃O₈ at a 200ppm cut-off. The deposit is located on E28/1898 in the QVSNR.

In addition, Exploration Results reported by Manhattan in March 2011 identified Mineralisation Potential totalling 33 to 67Mlb U_3O_8 at the 200ppm U_3O_8 cut-off in four prospects at:

- Double 8 of between 2.5 and 5.5Mlb U_3O_8 ;
- Stallion South of between 8 and 16Mlb U_3O_8 ;
- Highway South of between 8 and 16Mlb U_3O_8 ; and
- Ponton of between 15 and 30Mlb U_3O_8



Stallion, Highway and Shelf prospects have been systematically drilled to a detail that would support resource estimations. Resource estimates will be completed and reported when further secular disequilibrium data are received, models refined and conversion procedures for Manhattan’s down hole gamma probe data finalised. Preliminary information gives a strong likelihood that a disequilibrium factor for these prospects may be significantly higher than the x1.2 currently assumed for the Inferred Resources at Double 8.

Carbonaceous sand hosted uranium mineralisation, below 40 to 60 metres of cover, has now been defined in drill holes along 55 kilometres of Tertiary palaeochannels at Stallion, Stallion South, Double 8, Ponton, Highway South and Highway prospects.

These palaeochannels connect with Energy and Minerals Australia’s lignite hosted Mulga Rock uranium deposits with a combined reported inferred resource estimate of 27,100 tonnes (60Mlb) U_3O_8 .

➤ **Double 8 Uranium Deposit, Ponton, WA**

The Double 8 Uranium Deposit is located in tenement application E28/1898 in the southwest of the project area within the QVSNR.

DOUBLE 8 INFERRED RESOURCE ESTIMATES

An Inferred Resource of 26 million tonnes grading 300ppm U₃O₈ containing 7,800 tonnes (17.2Mlb) of uranium oxide at a 200ppm U₃O₈ cut-off for the Double 8 Uranium Deposit is reported. The reported Resources are based on RC drilling by PNC in the mid 1980s and are classified as Inferred in accordance with the JORC Code (2004).

The Inferred resource of 17.2 million pounds U₃O₈ at Double 8 and the additional reported mineralization potential at Double 8 and Stallion South, Highway South and Ponton prospects in the order of 33 to 67 million pounds, all located in contiguous palaeochannels within Manhattan's project area at Ponton, demonstrate the potential of the Project to host a world-class ISL sand hosted uranium resource.

The Double 8 Deposit now ranks as number 20 of reported uranium resources in Australia and the 7th largest in Western Australia.

Double 8 Reported Inferred Resources

| DOUBLE 8 INFERRED RESOURCE ESTIMATES | | | | |
|---|------------------|---|--|---|
| CUTOFF GRADE U ₃ O ₈ (ppm) | TONNES (MILLION) | GRADE U ₃ O ₈ (ppm) | TONNES U ₃ O ₈ (t) | POUNDS (MILLION) U ₃ O ₈ (Mlb) |
| 100 | 110 | 170 | 18,700 | 42.0 |
| 150 | 51 | 240 | 12,240 | 26.0 |
| 200 | 26 | 300 | 7,800 | 17.2 |
| 250 | 14 | 360 | 5,040 | 11.0 |

Where U₃O₈ is reported it relates to grade values calculated from down hole radiometric gamma logs. Double 8 drill holes were logged by PNC using Austral L300 Middiloggers for natural gamma radiation. Four Austral L300 loggers were used by PNC in the area, calibrated against each other on a regular basis, and gamma responses compared to chemical assays from a number of core holes. Conversion factors for gamma response to U assays assuming secular equilibrium were then established. eU₃O₈ grades are then estimated by converting down hole radiometric gamma logs to equivalent uranium eU and multiplied by 1.179 to convert to equivalent uranium grades eU₃O₈. A further disequilibrium factor is applied by multiplying eU₃O₈ by 1.2 to establish U₃O₈. Down hole radiometric gamma logging in sand hosted uranium deposits, similar to Double 8, is a common and well established method of estimating uranium grades. All U₃O₈ grade results reported are subject to possible disequilibrium factors that should be taken into account when assessing the reported grades.

DOUBLE 8 MINERALISATION POTENTIAL

Manhattan's exploration results, based on Manhattan's reported resource estimates for Double 8, PNC's early 1980's reconnaissance RC drilling, Manhattan's 2009 and 2010 aircore and sonic drilling results and Manhattan's airborne EM and magnetic surveys, have identified further uranium mineralisation potential at Double 8.

At a 200ppm U₃O₈ cut-off reported mineralisation potential at Double 8 includes 4 to 8Mt grading 250 to 450ppm U₃O₈ containing 1,100 to 2,500 tonnes or 2.5 to 5.5Mlb of contained U₃O₈.

Double 8 Reported Mineralisation Potential

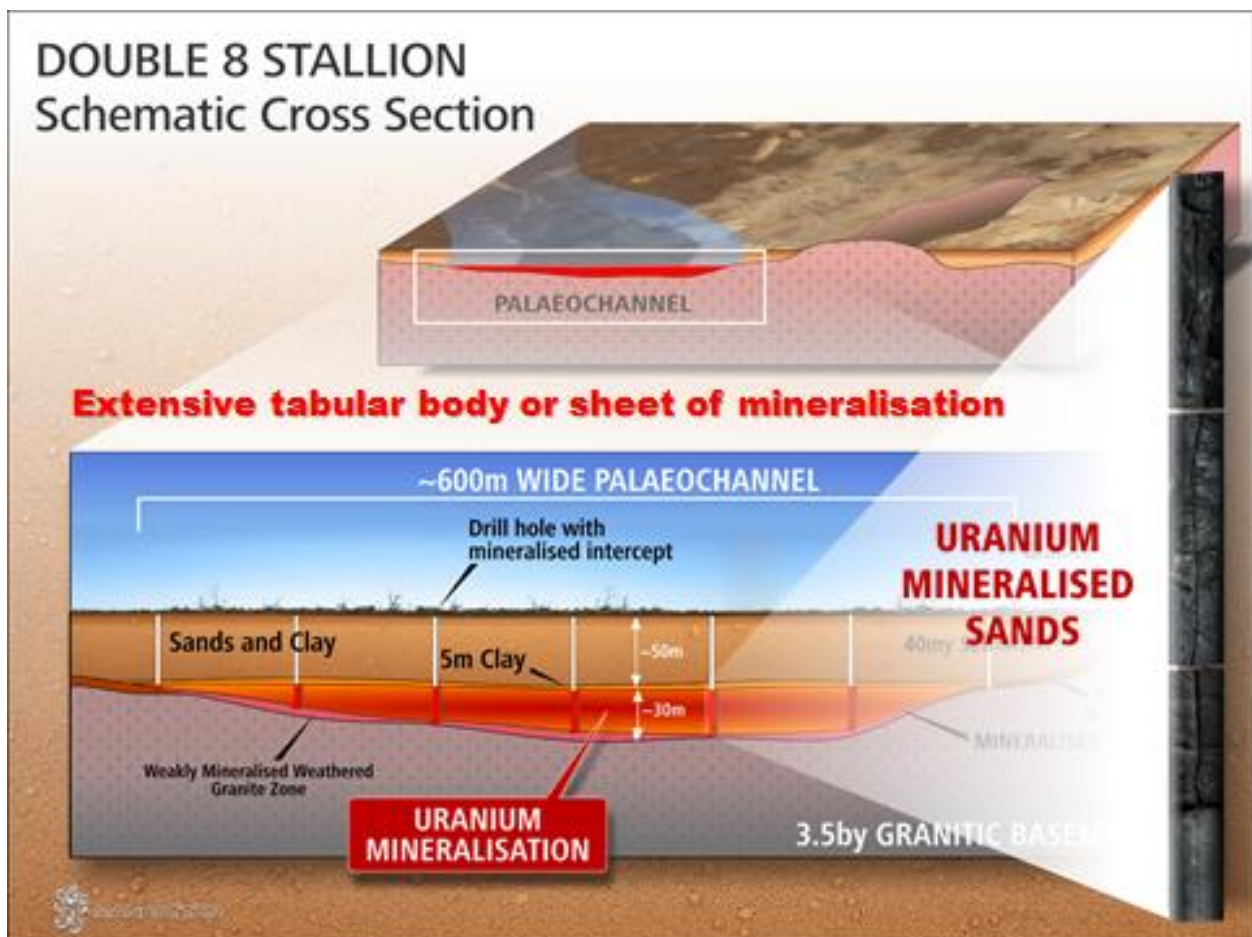
| DOUBLE 8 MINERALISATION POTENTIAL | | | | |
|---|----------------------------|--|---|---|
| CUTOFF GRADE U ₃ O ₈ (ppm) | TONNAGE RANGE (MILLION) | GRADE RANGE U ₃ O ₈ (ppm) | TONNAGE RANGE U ₃ O ₈ (t) | POUNDS RANGE (MILLION) U ₃ O ₈ (Mlb) |
| 200 | 4 - 8 | 250 - 450 | 1,100 - 2,500 | 2.5 - 5.5 |

In accordance with clause 18 of the JORC Code (2004), tonnage and grade ranges reported as Mineralisation Potential in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a mineral resource and it is uncertain if further exploration and drilling will result in the determination of a reportable resource.

The mineralisation is approximately 500 metres wide on average with down hole thicknesses of 3 to 25 metres.

The uranium mineralisation at Double 8 remains open and is yet to be closed off by drilling. Manhattan considers that further drilling of the Double 8 Deposit will expand on the reported resource and the confidence levels of resources will improve and report to higher confidence categories under the JORC Code (2004).

At a depth of 30 to 70 metres deep the Double 8 Deposit is a shallow reduce sand hosted tabular uranium deposit in a confined palaeochannel potentially amenable to ISL metal recovery, the lowest cost method of producing yellowcake with the least environmental impact.



Gaining exploration access to E28/1898 by excision of the licence from the QVSNR will enable Manhattan to recommence drill testing and evaluation of the Double 8 uranium deposit. This 1,000 drill hole program is designed to expand and upgrade the reported Inferred Resource at Double 8.

➤ Stallion South, Ponton, WA

Stallion South is located immediately to the south of Stallion and northwest of Double 8 along the Ponton palaeochannel. This prospect is within licence application E28/1898 within the QVSNR.

At Stallion South wide spaced reconnaissance drilling (generally on 4 km centres) by PNC in the early 1980's intersected anomalous uranium mineralisation, with similar grades to those reported by Manhattan at Double 8. The drilled uranium mineralisation at Stallion South is also hosted in palaeochannels within reduced carbonaceous sands and weathered granitic sands in a confined aquifer overlying crystalline granite basement.

STALLION SOUTH MINERALISATION POTENTIAL

Based on PNC and Manhattan's drilling combined with Manhattan's detailed airborne EM and magnetic survey data, exploration results reported by Manhattan has identified uranium mineralisation potential at 200ppm U₃O₈ cut-off of between 8 to 16Mlb of contained U₃O₈.

Stallion South Reported Mineralisation Potential

| STALLION SOUTH MINERALISATION POTENTIAL | | | | |
|---|----------------------------|--|---|---|
| CUTOFF GRADE U ₃ O ₈ (ppm) | TONNAGE RANGE (MILLION) | GRADE RANGE U ₃ O ₈ (ppm) | TONNAGE RANGE U ₃ O ₈ (t) | POUNDS RANGE (MILLION) U ₃ O ₈ (Mlb) |
| 200 | 12 - 24 | 250 - 350 | 3,600 - 7,300 | 8 - 16 |

In accordance with clause 18 of the JORC Code (2004), tonnage and grade ranges reported as Mineralisation Potential in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a mineral resource and it is uncertain if further exploration and drilling will result in the determination of a reportable resource.

On E28/1898 being excised from the QVSNR, further resource definition drilling will commence at the Stallion South prospect.

➤ Highway South, Ponton, WA

Highway South is centred 5km along the palaeochannel to the northeast of Double 8. This prospect is within licence application E28/1898 within the QVSNR.

At Highway South wide spaced reconnaissance drilling (generally on 4 km centres) by PNC in the early 1980's intersected anomalous uranium mineralisation, with similar grades to those reported by Manhattan at Double 8. The drilled uranium mineralisation at Highway South is also hosted in palaeochannels within reduced carbonaceous sands and weathered granitic sands in a confined aquifer overlying crystalline granite and Patterson Group shale basement.

HIGHWAY SOUTH MINERALISATION POTENTIAL

Based on PNC and Manhattan's drilling combined with Manhattan's detailed airborne EM and magnetic survey data, Exploration Results reported by Manhattan has identified uranium mineralisation potential at 200ppm U₃O₈ cut-off of between 8 to 16Mlb of contained U₃O₈.

Highway South Reported Mineralisation Potential

| HIGHWAY SOUTH MINERALISATION POTENTIAL | | | | |
|---|----------------------------|--|---|---|
| CUTOFF GRADE U ₃ O ₈ (ppm) | TONNAGE RANGE (MILLION) | GRADE RANGE U ₃ O ₈ (ppm) | TONNAGE RANGE U ₃ O ₈ (t) | POUNDS RANGE (MILLION) U ₃ O ₈ (Mlb) |
| 200 | 12 - 24 | 250 - 350 | 3,600 - 7,300 | 8 - 16 |

In accordance with clause 18 of the JORC Code (2004), tonnage and grade ranges reported as Mineralisation Potential in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a mineral resource and it is uncertain if further exploration and drilling will result in the determination of a reportable resource.

On E28/1898 being excised from the QVSNR, further resource definition drilling will commence at the Highway South prospect.

➤ **Ponton, Ponton, WA**

Ponton is located along the palaeochannel to the southeast of Double 8. This prospect is within licence application E28/1898 within the QVSNR.

At Ponton wide spaced reconnaissance drilling (generally on 4km centres) by PNC in the early 1980's intersected anomalous uranium mineralisation, with similar grades to those reported by Manhattan at Double 8.

The drilled uranium mineralisation at Ponton is also hosted in palaeochannels within reduced carbonaceous sands and weathered granitic sands in a confined aquifer overlying crystalline granite and Patterson Group shale basement.

PONTON MINERALISATION POTENTIAL

Based on PNC's drilling combined with Manhattan's detailed airborne EM and magnetic survey data, exploration results reported by Manhattan has identified uranium mineralisation potential at 200ppm U₃O₈ cut-off of between 15 to 30Mlb of contained U₃O₈.

On E28/1898 being excised from the QVSNR, further resource definition drilling will commence at the Ponton prospect.

Ponton Reported Mineralisation Potential

| PONTON MINERALISATION POTENTIAL | | | | |
|---|------------------------------------|--|--|---|
| CUTOFF GRADE U₃O₈(ppm) | TONNAGE RANGE (MILLION) | GRADE RANGE U₃O₈(ppm) | TONNAGE RANGE U₃O₈(t) | POUNDS RANGE (MILLION) U₃O₈(Mlb) |
| 200 | 23 - 45 | 250 - 350 | 6,800 - 13,600 | 15 - 30 |

In accordance with clause 18 of the JORC Code (2004), tonnage and grade ranges reported as Mineralisation Potential in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a mineral resource and it is uncertain if further exploration and drilling will result in the determination of a reportable resource.

On E28/1898 being excised from the QVSNR, the Stallion South, Highway South and Ponton targets will be drill tested along with the resource definition drilling at Double 8.

➤ **Stallion, Ponton, WA**

The Stallion uranium prospect is located in E28/1523 and centred 14 kilometres northwest of the Double 8 Uranium Deposit at Ponton.

In 2010 Manhattan completed 221 vertical aircore drill holes totalling 16,914 metres and 16 duplicate sonic drill holes totalling 1,177 metres of drilling at Stallion. Drilling has been completed on 200 m and 400 m spaced lines with holes drilled at 100 m centres along each grid line across the palaeochannel within mineralised zones. All drill holes were gamma logged.

Multiple zones of anomalous uranium mineralisation confirmed by the down hole gamma logs, 200 m to 1,000 m wide and between 2 m and 25 m thick have been encountered in drilling along 8 kilometres of the palaeochannel at Stallion at 60m to 90m deep.

The Stallion prospect has been systematically drilled to a detail that would support resource estimations. The sonic holes have duplicated and twinned approximately 1 in 3 of the mineralised holes at Stallion and provided competent samples of the unconsolidated mineralised sands for chemical analysis.

Resource estimates will be completed and reported when further secular disequilibrium data are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised.

Preliminary information gives a strong likelihood that a disequilibrium factor for the Stallion prospect may be significantly higher than the x1.2 currently assumed for the Inferred resources at Double 8.

The geological controls and style of the palaeochannel sand hosted uranium mineralisation at Stallion are similar to the mineralisation encountered at Double 8.

➤ **Highway, Ponton, WA**

The Highway uranium prospect is located in E28/1523 and E39/1143 centred 15 kilometres northwest of the Double 8 uranium deposit at Ponton.

In 2010, Manhattan completed 275 vertical aircore drill holes totalling 17,670 metres and 3 duplicate sonic drill holes totalling 144 m of drilling at Highway. Drilling has been completed on 400m spaced lines with holes drilled at 100 m centres along each grid line across the palaeochannel within mineralised zones. All drill holes were gamma logged.

Extensive anomalous uranium mineralisation, again confirmed by the down hole gamma logs, 400 m to 2,000 m wide and between 2 m and 25 m thick have been encountered in drilling along 10 kilometres of the palaeochannel at Highway at 40 m to 80 m deep.

The Highway prospect has also been systematically drilled to a detail that would support resource estimations. The sonic holes have duplicated and twinned mineralised holes at Highway and provided competent samples of the unconsolidated mineralised sands for chemical analysis. Resource estimates will be completed and reported when further secular disequilibrium data are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised. Preliminary information gives a strong likelihood that a disequilibrium factor for the Highway prospect may be significantly higher than the x1.2 currently assumed for the Inferred resources at Double 8.

Apart from some shallow lignite hosted uranium mineralisation encountered along the northern part of the palaeochannel at Highway, the geological controls and style of the channel sand hosted uranium mineralisation at Highway are similar to the mineralisation encountered at Double 8 and Stallion.

➤ **Shelf, Ponton, WA**

The Shelf prospect is located along the palaeochannel approximately 10 km northeast of Highway in E39/1143.

At the Shelf drilling by PNC and Uranex was closer spaced (on 200 m x 100 m centres) which identified shallower lignite hosted uranium mineralisation within the upper sandstone and claystone.

In 2010, Manhattan completed 199 aircore drill holes totalling 13,367 metres of drilling on lines approximately 800 m and 1.2 km apart along 20 km of the palaeochannel to the north of Highway and 8 duplicate holes totalling 300 metres into the lignite mineralisation at the Shelf prospect.

The Shelf prospect has also been systematically drilled to a detail that may support resource estimations. The resource potential for the Shelf prospect will be assessed when further secular disequilibrium data are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised. Preliminary information gives a strong likelihood that a disequilibrium factor for the Shelf prospect may be significantly higher than the x1.2 currently assumed for the Inferred resources at Double 8.

➤ East Arm, Ponton, WA

A further 45 reconnaissance air core holes totalling 3,210m of drilling were completed across the palaeochannel at East Arm located 16 km east of Highway on E39/1144.

The East Arm drilling results are now being compiled and reviewed by the Company's geological team.

➤ Gardner Range Project, Tanami Region, WA

The Gardner Range project is located in the Tanami region of WA approximately 150 km southeast of Halls Creek. Manhattan holds four granted exploration licences covering 550 km² bordering the Northern Territory.

The target is high grade unconformity related uranium mineralisation similar to the Athabasca Basin deposits and the Ranger uranium mine in NT. Historic drilling at the Don uranium prospect hole BIR001, within the project area, intersected 0.44 m of 1.5% U₃O₈ and 1.7 ppm gold at a depth of 40 metres.

Manhattan retains a 40% interest the Gardner Range uranium project where Northern Minerals ("Northern"), and its strategic partner Areva, are operators and earning up to an 80% interest by sole funding and completing a mining prefeasibility study.

In December 2010, Northern reported the results for 3,208 metres of RC drilling in 16 holes on the Don and Soma prospects on Manhattan's Gardner Range Project.

Northern has improved a budget for their 2011 exploration program targeting both uranium and gold mineralization on the Gardner Range joint venture tenements.

Uranium mineralization at the Soma prospect on E 80/3275 and Deva prospect E 80/1735 will be targeted with 13 to 14 holes for approximately 2,800 metres of drilling. Gold mineralization at The Don, Whites Beach and Venus prospects will be tested by 2,500 metres of drilling.

Finance

Manhattan retained on October 17, 2011 A\$ 0.69 million in cash plus liquid investments in three ASX-listed uranium companies valued at A\$ 1.18 million.

Management

Alan J Eggers, Executive Chairman, is a professional geologist with over 30 years of international experience in exploration for uranium, base metals, precious metals and industrial minerals. He was the founding director and managing director for 20 years of listed uranium company Summit Resources Limited. He built Summit into an ASX Top 200 company with a market capital of \$1.2 billion until its takeover by Paladin Energy Ltd in mid 2007. His professional experience has included management of mineral exploration initiatives and corporate administration of private and public companies. Alan is managing director of Wesmin Consulting, formerly a director of ASX listed Zedex Minerals (until January 2010), was a founding director of the Australian Uranium Association and holds a number of directorships in private companies.

John A.G. Seton, Non Executive Director, is an Auckland based solicitor with extensive experience in commercial law, stock exchange listed companies and the mineral resource sector. He a director and chief executive officer of TSX and ASX listed Olympus Pacific Minerals, former Chairman of Summit Resources, Zedex Minerals and NZX listed SmartPay Limited and holds, or has held directorships in several companies listed on the Australian and New Zealand Stock Exchanges including Kiwi Gold, Kiwi International Resources, Iddison Group Vietnam and Max Resources. Mr. Seton was the former chief executive of IT Capital. He is also the former Chairman of the Vietnam/New Zealand Business Council and former Chairman of The Mud House Wine Group, an unlisted public company. Mr Seton holds a number of private company directorships.

Marcello Cardaci, Non Executive Director, is solicitor and a partner in the Australian legal practice of Gilbert + Tobin. He holds degrees in law and commerce and is experienced in wide range of corporate and commercial matters with a particular emphasis on public and private equity raisings and mergers and acquisitions. Gilbert + Tobin specialises in the provision of legal advice to companies involved in various industries including resources and manufacturing. Mr Cardaci is a non executive director of ASX listed Forge Group and Lemur Resources Limited. He was formerly a director of Sphere Investments and Tianshan Goldfields .

Investment Recommendation:

Manhattan has emerged as a well funded company with a significant Inferred uranium oxide (U₃O₈) resource of 17.2 million pounds and a further drilled potential of 2.5 to 5.5 million pounds U₃O₈ already reported for its flagship Double 8 Uranium Deposit at Ponton within the Gunbarrel Basin in Western Australia.

There remains substantial exploration potential yet to drill test at Double 8 that will expand on this resource base.

Manhattan's Exploration Licence applications in the QVSNR have all now been granted. A land swap proposal to have the key licence E28/1898 excised from QVSNR to allow exploration and development of the Ponton Project is being developed with the WA government by Manhattan.

On gaining access the Company will immediately commence a \$4 million 60,000 metre resource definition drilling program at Double 8 and drilling the Stallion South, Highway South and Ponton Creek targets.

The current Inferred resource of 17.2Mlb in the Double 8 Deposit at Ponton alone represents an in-the-ground gross value of more than US\$950 million or over US\$9 a share (fully diluted). Recent industry transactions that value inferred uranium resources in the ground at around US\$5 - \$7lb would value Manhattan at around \$1 to \$1.30 share.

Also considering the strongly overreacted negative investment climate for the uranium sector due to the Fukushima nuclear incident, resulting in a fall of the U₃O₈ price of approximately 30%, Manhattan's share price has shown an overreacted decline of 80%.

Further contributing factors impacting on the Company's decline in share price are the wider market downturned generated by the Euro debt crisis and delays in Manhattan gaining exploration access to its key licence E28/1898 at Ponton.

From a fundamental point of view, we consider Manhattan to be strongly undervalued.

Our price objective remains A\$0.60.