



MANHATTAN CORPORATION LIMITED

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# QUARTERLY REPORT

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PERIOD ENDED 31 MARCH 2011



ABN 61 123 156 089

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## COMPETENT PERSON'S STATEMENT

*The information in this report that relates to reported Exploration Results or Mineral Resources is based on information compiled by Mr Alan J Eggers, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Alan Eggers is a professional geologist and an executive director of Manhattan Corporation Limited. Mr Eggers has sufficient experience that is relevant to the style of mineralisation and type of mineral deposits being reported on in this report and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves "JORC Code (2004)". Mr Eggers consents to the inclusion in this report of the information on the Exploration Results or Mineral Resources based on his information in the form and context in which it appears.*

## MARCH 2011 QUARTER HIGHLIGHTS

- 65% increase in Inferred Resource reported for Double 8 uranium deposit to 17.2Mlb of contained uranium oxide
- Additional Mineralisation Potential reported for Double 8 deposit of 2.5 to 5.5Mlb of contained uranium oxide
- Mineralisation Potential also reported for Stallion South of 8 to 16Mlb, Highway South of 8 to 16Mlb and Ponton of 15 to 30Mlb of contained uranium oxide
- All Inferred Resource and Mineralisation Potential are reported at 200ppm U<sub>3</sub>O<sub>8</sub> cutoff
- Double 8 deposit ranks as number 20 in Australia and 7<sup>th</sup> largest reported resource in Western Australia
- Three Exploration Licences within the QVSNR offered for grant in December 2010. Fourth Licence within QVSNR granted in July 2010
- Ministerial consent to commence drilling on key licence EL28/1898 within QVSNR, covering the Double 8 deposit and the Stallion South, Highway South and Ponton Creek prospects, is being sought
- Double 8 resource of 17Mlb and Mineralisation Potential reported for Double 8, Stallion South, Highway South and Ponton of 33 to 67Mlbs U<sub>3</sub>O<sub>8</sub> demonstrates the potential of the project to host a world class ISL sand hosted uranium resource
- Company is well funded with \$3.4 million in cash and investments in ASX listed uranium companies
- Fukushima emergency temporarily evaporates investor confidence in uranium mining sector. Manhattan believes the medium to long term outlook for the uranium industry and nuclear power remains positive and unchanged
- ***SPOT MARKET URANIUM OXIDE FALLS TO US\$57.00 POUND IN THE WAKE OF THE JAPANESE EARTHQUAKE AND TSUNAMI***

# SUMMARY

Manhattan Corporation Limited (“**Manhattan**”) has an interest in three Australian uranium projects; Ponton and Gardner Range in Western Australia and Siccus in South Australia (Figure 1).

Manhattan’s flagship project is the Ponton Project in WA where the Company is drill testing and developing palaeochannel sand hosted uranium mineralisation amenable to in-situ leach (“**ISL**”) metal recovery.

Drilling has established extensive continuity of the carbonaceous sand hosted anomalous uranium mineralisation for over 55km within the palaeochannels at Ponton.

In March 2011 Manhattan reported a JORC Inferred Resource estimate for the Double 8 uranium deposit at Ponton of 17.2Mlb uranium oxide (“**U<sub>3</sub>O<sub>8</sub>**”) at a 200ppm cutoff.

In addition, Exploration Results reported by Manhattan in March 2011 identified Mineralisation Potential totalling 33 to 67Mlb U<sub>3</sub>O<sub>8</sub> at the 200ppm U<sub>3</sub>O<sub>8</sub> cutoff in four prospects at:

- Double 8 of between 2.5 and 5.5Mlb U<sub>3</sub>O<sub>8</sub>;
- Stallion South of between 8 and 16Mlb U<sub>3</sub>O<sub>8</sub>;
- Highway South of between 8 and 16Mlb U<sub>3</sub>O<sub>8</sub>; and
- Ponton of between 15 and 30Mlb U<sub>3</sub>O<sub>8</sub>

Manhattan’s priority is now to obtain the grant of, and Ministerial consent to explore on, E28/1898 located mostly within the Queen Victoria Spring Nature Reserve (“**QVSNR**”) in WA. This access 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.

Manhattan also retains a 40% interest in the Gardner Range uranium project where Northern Minerals Limited, and its strategic partner Areva, are operators and earning up to an 80% interest and the Company holds a 90% interest in the Siccus Project in the Frome Basin of South Australia.

**FIGURE 1: MANHATTAN’S AUSTRALIAN URANIUM PROJECTS**



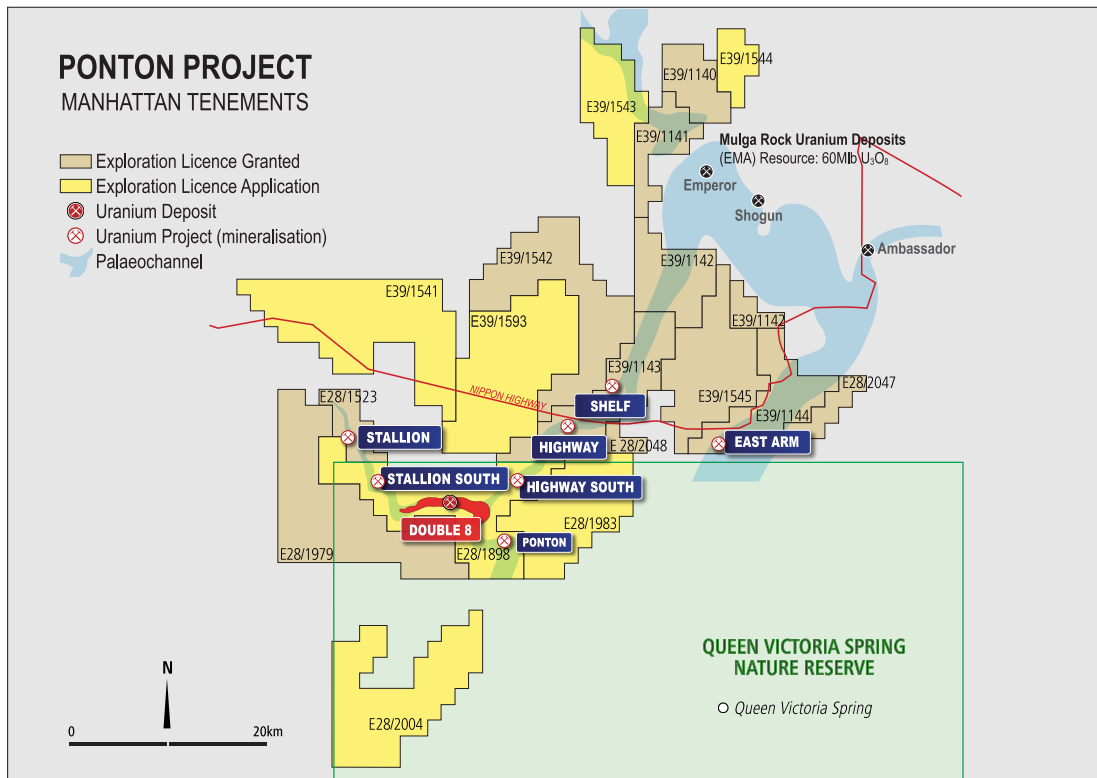
Manhattan’s strategy for growth is to drill and develop a number of palaeochannel hosted uranium oxide resources including the Double 8, Stallion, Highway and Ponton uranium deposits, to ISL mine development stage at Ponton.

Manhattan retained, on 31 March 2011, \$0.59 million in cash plus liquid investments in three ASX listed uranium companies valued at \$2.78 million.

**1. PONTON PROJECT (WA)**  
**Interest: Manhattan 100%**  
**Operator: Manhattan Corporation Limited**

Manhattan's Ponton project is located approximately 200km northeast of Kalgoorlie on the edge of the Great Victoria Desert in WA. The Company has 100% control of around 2,140km<sup>2</sup> 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 (Figure 2).

**FIGURE 2: MANHATTAN'S PONTON TENEMENTS**



The Ponton Project includes the Double 8 uranium deposit that has a JORC Inferred Resource of 17.2Mlb U<sub>3</sub>O<sub>8</sub> at a 200ppm cutoff. The deposit is located on E28/1898 in the QVSNR (Figure 3).

In addition, Exploration Results reported by Manhattan in March 2011 identified Mineralisation Potential totalling 33 to 67Mlb U<sub>3</sub>O<sub>8</sub> at the 200ppm U<sub>3</sub>O<sub>8</sub> cutoff in four prospects at:

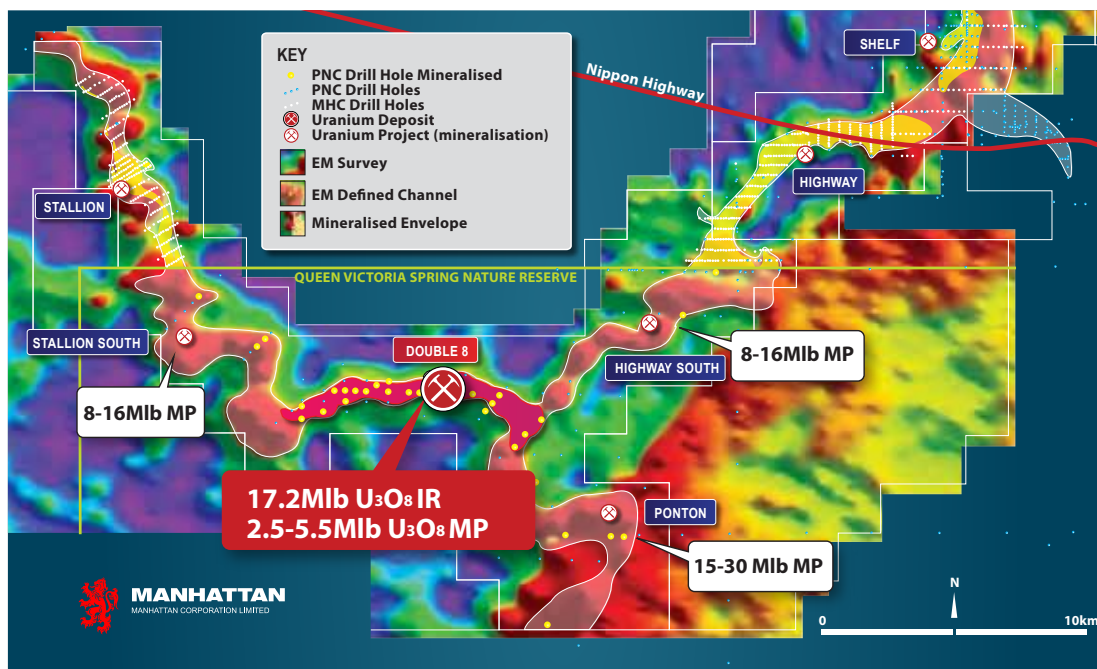
- Double 8 of between 2.5 and 5.5Mlb U<sub>3</sub>O<sub>8</sub>;
- Stallion South of between 8 and 16Mlb U<sub>3</sub>O<sub>8</sub>;
- Highway South of between 8 and 16Mlb U<sub>3</sub>O<sub>8</sub>; and
- Ponton of between 15 and 30Mlb U<sub>3</sub>O<sub>8</sub>

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<sub>3</sub>O<sub>8</sub> (Figure 1).

**FIGURE 3: DOUBLE 8 RESOURCE, STALLION SOUTH, HIGHWAY SOUTH & PONTON PROSPECTS**



Manhattan’s 2010 aircore and sonic drilling program was targeted at sand hosted uranium mineralisation in the 100km of conductive palaeochannels defined by the Company’s airborne EM and magnetic surveys and uranium mineralised sands discovered in previous drilling by Manhattan, PNC Exploration (“PNC”) and Uranerz in the area.

Manhattan’s three Exploration Licence applications that encroach on, or are within, the QVSNR (EL’s 28/1898, 1983 & 2004) were offered for grant by the WA Department of Mines and Petroleum on 20 December 2010. EL28/1979, also partially within the QVSNR, was granted on 21 July 2010. Once granted the consent of the Minister for Mines and Petroleum, with the concurrence of the Minister for Environment, is required to commence exploration activities within the QVSNR. This Ministerial consent for the key licence (E28/1898) is now being sought.

**2. DOUBLE 8 URANIUM DEPOSIT (WA)**

**Interest: Manhattan 100%**

**Operator: Manhattan Corporation Limited**

The Double 8 uranium deposit is located in tenement application E28/1898 in the southwest of the project area within the QVSNR (Figures 2 & 3).

**DOUBLE 8 INFERRED RESOURCE ESTIMATES**

An Inferred Resource of 26 million tonnes grading 300ppm U<sub>3</sub>O<sub>8</sub> containing 7,800 tonnes (17.2Mlb) of uranium oxide at a 200ppm U<sub>3</sub>O<sub>8</sub> cutoff for the Double 8 uranium deposit is reported. The reported Resources are based on RC drilling by PNC in the mid 1980’s and are classified as Inferred in accordance with the JORC Code (2004).

**Double 8 Reported Inferred Resources****DOUBLE 8 INFERRED RESOURCE ESTIMATES**

CUTOFF GRADE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNES (MILLION)	GRADE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNES U <sub>3</sub> O <sub>8</sub> (t)	POUNDS (MILLION) U <sub>3</sub> O <sub>8</sub> (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 U<sub>3</sub>O<sub>8</sub> 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. eU<sub>3</sub>O<sub>8</sub> 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 eU<sub>3</sub>O<sub>8</sub>. A further disequilibrium factor is applied by multiplying eU<sub>3</sub>O<sub>8</sub> by 1.2 to establish U<sub>3</sub>O<sub>8</sub>. 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 U<sub>3</sub>O<sub>8</sub> 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, has identified further uranium Mineralisation Potential at Double 8.

At a 200ppm U<sub>3</sub>O<sub>8</sub> cutoff reported Mineralisation Potential at Double 8 includes 4 to 8Mt grading 250 to 450ppm U<sub>3</sub>O<sub>8</sub> containing 1,100 to 2,500 tonnes or 2.5 to 5.5Mlb of contained U<sub>3</sub>O<sub>8</sub>.

**Double 8 Reported Mineralisation Potential****DOUBLE 8 MINERALISATION POTENTIAL**

CUTOFF GRADE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNAGE RANGE U <sub>3</sub> O <sub>8</sub> (t)	POUNDS RANGE (MILLION) U <sub>3</sub> O <sub>8</sub> (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 500m 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 reduced 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.

**3. STALLION SOUTH (WA)****Interest: Manhattan 100%****Operator: Manhattan Corporation Limited**

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 (Figures 2 & 3).

At Stallion South 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 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 U<sub>3</sub>O<sub>8</sub> cutoff of between 8 to 16Mlb of contained U<sub>3</sub>O<sub>8</sub>.

***Stallion South Reported Mineralisation Potential***

<b>STALLION SOUTH MINERALISATION POTENTIAL</b>				
<b>CUTOFF GRADE U<sub>3</sub>O<sub>8</sub> (ppm)</b>	<b>TONNAGE RANGE (MILLION)</b>	<b>GRADE RANGE U<sub>3</sub>O<sub>8</sub> (ppm)</b>	<b>TONNAGE RANGE U<sub>3</sub>O<sub>8</sub> (t)</b>	<b>POUNDS RANGE (MILLION) U<sub>3</sub>O<sub>8</sub> (Mlb)</b>
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 obtaining the required Ministerial consent and exploration access to the QVSNR, further resource definition drilling will commence at the Stallion South prospect.

**4. HIGHWAY SOUTH (WA)****Interest: Manhattan 100%****Operator: Manhattan Corporation Limited**

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 (Figures 2 & 3).

At Highway South 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 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 U<sub>3</sub>O<sub>8</sub> cutoff of between 8 to 16Mlb of contained U<sub>3</sub>O<sub>8</sub>.

**Highway South Reported Mineralisation Potential****HIGHWAY SOUTH MINERALISATION POTENTIAL**

CUTOFF GRADE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNAGE RANGE U <sub>3</sub> O <sub>8</sub> (t)	POUNDS RANGE (MILLION) U <sub>3</sub> O <sub>8</sub> (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 obtaining the required Ministerial consent and exploration access to the QVSNR, further resource definition drilling will commence at the Highway South prospect.

**5. PONTON (WA)**

**Interest: Manhattan 100%**

**Operator: Manhattan Corporation Limited**

Ponton is located along the palaeochannel to the southeast of Double 8. This prospect is within licence application E28/1898 within the QVSNR (Figures 2 & 3).

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 U<sub>3</sub>O<sub>8</sub> cutoff of between 15 to 30Mlb of contained U<sub>3</sub>O<sub>8</sub>.

**Ponton Reported Mineralisation Potential****PONTON MINERALISATION POTENTIAL**

CUTOFF GRADE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE U <sub>3</sub> O <sub>8</sub> (ppm)	TONNAGE RANGE U <sub>3</sub> O <sub>8</sub> (t)	POUNDS RANGE (MILLION) U <sub>3</sub> O <sub>8</sub> (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 obtaining the required Ministerial consent and exploration access to the QVSNR, further resource definition drilling will commence at the Ponton prospect.

**6. STALLION (WA)**

**Interest: Manhattan 100%**

**Operator: Manhattan Corporation Limited**

The Stallion uranium prospect is located in E28/1523 and centred 14 kilometres northwest of the Double 8 uranium deposit at Ponton (Figures 2 & 3).

In 2010 Manhattan completed 221 vertical aircore drill holes totalling 16,914m and 16 duplicate sonic drill holes totalling 1,177m of drilling at Stallion. Drilling has been completed on 200m and 400m spaced lines with holes drilled at 100m 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, 200m to 1,000m wide and between 2m and 25m thick have been encountered in drilling along 8 kilometres of the palaeochannel at Stallion at 60m to 90m deep (Figure 2).

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.

**7. HIGHWAY (WA)**

**Interest: Manhattan 100%**

**Operator: Manhattan Corporation Limited**

The Highway uranium prospect is located in E28/1523 and E39/1143 centred 15 kilometres northwest of the Double 8 uranium deposit at Ponton (Figures 2 & 3).

In 2010 Manhattan completed 275 vertical aircore drill holes totalling 17,670m and 3 duplicate sonic drill holes totalling 144m of drilling at Highway. Drilling has been completed on 400m spaced lines with holes drilled at 100m 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, 400m to 2,000m wide and between 2m and 25m thick have been encountered in drilling along 10 kilometres of the palaeochannel at Highway at 40m to 80m deep (Figure 2).

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.

**8. SHELF (WA)****Interest: Manhattan 100%****Operator: Manhattan Corporation Limited**

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

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

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

**9. EAST ARM (WA)****Interest: Manhattan 100%****Operator: Manhattan Corporation Limited**

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

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

**10. GARDNER RANGE PROJECT (WA)****Interest: Manhattan 40%****Operator: Northern Minerals Limited**

The Gardner Range project is located in the Tanami region of WA approximately 150km southeast of Halls Creek. Manhattan holds four granted exploration licences covering 550km<sup>2</sup> 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 0.44m of 1.5%  $U_3O_8$  and 1.7ppm gold at a depth of 40m.

Manhattan retains a 40% interest the Gardner Range uranium project where Northern Minerals Limited ("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 3,208m of RC drilling in 16 holes on the Don and Soma prospects on Manhattan's Gardner Range Project.

Drilling at The Don has failed to replicate the historic uranium results from this prospect, but the program has returned some significant gold intersections. RC drill traverses over 300m apart planned by Northern for 2011 will specifically target the Don Fault for gold mineralisation. The Soma drilling delivered encouraging results and further drilling is now planned by Northern for 2011.

## REVIEW OF OPERATIONS

### 11. SICCUS PROJECT (SA)

**Interest: Manhattan 90%**

**Operator: Manhattan Corporation Limited**

The Siccus project covers part of the Tertiary palaeochannel system in the Frome Basin of SA. Manhattan's exploration licence E4527 covers an area of 672km<sup>2</sup> of this highly prospective uranium province. The target at Siccus is sandstone hosted uranium mineralisation, similar to the nearby deposits at Beverley, Four Mile and Honeymoon.

Manhattan now plans to divest its interest in the Siccus project and is currently seeking expressions of interest from uranium explorers in the Frome Basin to either joint venture explore with, or acquire the project from, Manhattan.

## SUMMARY AND ACQUISITIONS

The reported Inferred Resource for Double 8 of 17.2Mlb of uranium oxide is a 65% increase on the previously reported resource (Manhattan May 2009) and the deposit now ranks as number twenty of reported uranium resources in Australia and the seventh largest in Western Australia.

The Inferred Resource of 17Mlb at Double 8 and the additional reported Mineralisation Potential at Double 8 and Stallion South, Highway South and Ponton prospects in the order of 33 to 67Mlbs, all located in contiguous palaeochannels within Manhattan's project area at Ponton, demonstrates the potential of the project to host a world class ISL sand hosted uranium resource.

Manhattan's three Exploration Licence applications that encroach on, or are within, the QVSNR (EL's 28/1898, 1983 & 2004) were offered for grant by the WA Department of Mines and Petroleum on 20 December 2010. EL28/1979, also partially within the QVSNR, was granted on 21 July 2010. The consent of the Minister for Mines and Petroleum, with the concurrence of the Minister for Environment, is required to commence exploration and drilling activities within the QVSNR. This Ministerial consent for the key licence (E28/1898) is now being sought.

Manhattan is now focussed on defining new sand hosted uranium deposits at Ponton in Western Australia suitable for ISL uranium metal recovery.

***Manhattan extends its deepest sympathy and condolences to the Japanese people on the tragic loss of life and extensive destruction caused by the recent natural disasters.***

On 11 March 2011 devastating earthquakes and a tsunami struck the coastline of Japan including the Fukushima nuclear facility where six nuclear power reactors are located. Four reactors at Fukushima have been badly damaged and are currently being stabilised. The reactor containment structures have prevented the release of radiation likely to endanger public health and, to date, there have been no serious injuries or deaths caused by the catastrophic events at Fukushima.

Events at Fukushima have caused uncertainty and concern, particularly for investors in uranium development companies around the world. More than 430 power reactors (and another 480 research and ship reactors) are operating safely around the world, the requirement for clean safe nuclear energy, the nuclear build and the demand for uranium remains the same as prior to the Fukushima emergency.

Manhattan believes the outlook for the uranium industry remains positive and in the next few months, as investor confidence and positive sentiment returns to our industry sector, the underlying value will be restored to our investor's share holdings.

Opportunities to acquire quality advanced uranium deposits or advanced resources, which are likely to result in near term mine development opportunities within Australia or overseas, continue to be evaluated.

**ALAN J EGGERS**  
**Executive Chairman**  
**28 April 2011**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

<b>MANHATTAN CORPORATION LIMITED</b>
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ABN

61 123 156 089
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Quarter ended ("current quarter")

<b>31 March 2011</b>
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(628)	(3,318)
(b) development	-	-
(c) production	-	-
(d) administration	(269)	(823)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Direct costs of Manhattan Merger	-	-
<b>Net Operating Cash Flows</b>	<b>(894)</b>	<b>(4,123)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	1,284	3,334
(c)other fixed assets	-	-
1.10 Loans from other entities	-	-
1.11 Loans repaid to other entities	-	-
1.12 Other – Security deposits	-	-
<b>Net investing cash flows</b>	<b>1,284</b>	<b>3,334</b>
1.13 Total operating and investing cash flows (carried forward)	390	(789)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Manhattan Corporation Limited March 2011 Quarterly Report**

1.13	Total operating and investing cash flows (brought forward)	390	(789)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from funds held on trust	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – funds received from the Manhattan Merger	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	390	(789)
1.20	Cash at beginning of quarter/year to date	201	1,380
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>591</b>	<b>591</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(306)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	

1.23 Includes the following payments:

- Payments to Director related companies for Executive Chairman's fees, rent and administration staff \$230,383
- Directors reimbursement of expenses incurred on behalf of the Company \$55,852
- Non Executive Directors fees \$17,500
- Payments to Director related entity for legal and advisory fees \$2,254

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan Aggregate amount	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration & Evaluation	325
4.2 Development	-
4.3 Production	-
4.4 Administration	275
<b>Total</b>	<b>600</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	21	76
5.2 Deposits at call	570	125
5.3 Bank overdraft	-	-
5.4 Other (money held on behalf of shareholders)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>591</b>	<b>201</b>

**Changes in interests in mining tenements (Full Tenement Schedule Attached)**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E80/1375	Joint Venture	100%	40%
	E80/3275	Joint Venture	100%	40%
	E80/3817	Joint Venture	100%	40%
	E80/4081	Joint Venture	100%	40%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference *securities</b> <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	90,231,019	90,231,019		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil			
7.5 <b>*Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	3,099,379 5,550,000 4,550,000 100,000 100,000	Nil Nil Nil Nil Nil	<b>Exercise Price</b> \$0.20 \$0.60 \$1.00 \$1.80 \$2.20	<b>Expiry Date</b> 21/01/2012 21/07/2014 21/07/2014 12/03/2015 12/03/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/Cancelled during quarter	150,000 150,000	Nil Nil	\$1.80 \$2.20	12/03/2015 12/03/2015
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil			

+ See chapter 19 for defined terms.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



**RS (Sam) Middlemas**  
Company Secretary

**28 April 2011**

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

**Appendix 5B**  
**Manhattan Corporation Limited March 2011 Quarterly Report**

**TENEMENT SCHEDULE**

As at 31 March 2011

WESTERN AUSTRALIA							
Tenement Number	Project	Registered Holder(s)	Manhattan's Interest	Date Granted	Expiry Date	Area	Notes
E39/1140	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	18 sub blocks	
E39/1141	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	18 sub blocks	
E39/1142	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	35 sub blocks	
E39/1143	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	35 sub blocks	
E39/1144	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	35 sub blocks	
E28/1523	Ponton	MHC	100%	26 Nov 2008	25 Nov 2013	20 sub blocks	
E28/1898	Ponton	MHC	100%	App	App	64 sub blocks	(1)
E28/1979	Ponton	MHC	100%	21 July 2010	20 July 2015	74 sub blocks	
E28/1983	Ponton	MHC	100%	App	App	48 sub blocks	(2)
E28/2004	Ponton	MHC	100%	App	App	62 sub blocks	(3)
E28/2047	Ponton	MHC	100%	3 Nov 2010	2 Nov 2015	11 sub blocks	
E28/2048	Ponton	MHC	100%	3 Nov 2010	2 Nov 2015	6 sub blocks	
E39/1541	Ponton	MHC	100%	App	App	76 sub blocks	(4)
E39/1542	Ponton	MHC	100%	05 Oct 2010	04 Oct 2015	59 sub blocks	
E39/1543	Ponton	MHC	100%	App	App	31 sub blocks	(4)
E39/1544	Ponton	MHC	100%	App	App	11 sub blocks	(4)
E39/1545	Ponton	MHC	100%	05 Oct 2010	04 Oct 2015	47 sub blocks	
E39/1593	Ponton	MHC	100%	App	App	71 sub blocks	(5)
E80/1735	Gardner Range	MHC/NML	40%	15 Mar 1994	14 Mar 2011	12 sub blocks	(6)
E80/3275	Gardner Range	MHC/NML	40%	11 Nov 2005	10 Nov 2012	54 sub blocks	(6)
E80/3817	Gardner Range	MHC/NML	40%	23 Oct 2008	22 Oct 2013	70 sub blocks	(6)
E80/4081	Gardner Range	MHC/NML	40%	03 Mar 2009	02 Mar 2014	43 sub blocks	(6)

SOUTH AUSTRALIA							
EL4527	Siccus	MHC/SRPL	90%	24 June 2010	23 June 2012	672km <sup>2</sup>	

QUEENSLAND							
EPM17320	Annable North	MRPL	100%	App	App	16 sub blocks	(7)

Notes	
(1)	Application lodged with DMP on 6 October 2008
(2)	Application lodged with DMP on 30 September 2009
(3)	Application lodged with DMP on 19 October 2009
(4)	Applications lodged with DMP on 29 January 2010
(5)	Application lodged with DMP on 30 August 2010
(6)	Northern Minerals Limited has right to earn 80% interest by sole funding and completing mining prefeasibility study
(7)	Application lodged with DME on 1 February 2008 (Annable North)

Abbreviations			
<b>E</b>	Exploration Licence WA	<b>DMP</b>	Western Australian Department of Mines and Petroleum
<b>EL</b>	Exploration Permit SA	<b>PIRSA</b>	South Australian Department of Primary Industry and Resources
<b>EPM</b>	Exploration Permit Minerals QLD	<b>DME</b>	Queensland Department of Mines and Energy
<b>km<sup>2</sup></b>	Square Kilometre	<b>MHC</b>	Manhattan Corporation Limited ABN 61 123 156 089
<b>App</b>	Application Lodged	<b>MRPL</b>	Manhattan Resources Pty Ltd ABN 81 127 373 871
		<b>NML</b>	Northern Minerals Limited ABN 61 119 966 353
		<b>SRPL</b>	Signature Resources Pty Ltd ABN 20 077 307 012

Areas			
<b>Western Australia</b>		<b>1 Sub block</b>	<b>2.97km<sup>2</sup></b>
Ponton Project	755 sub blocks	Total Area	2,140km <sup>2</sup>
Gardner Project	179 sub blocks	Total Area	550km <sup>2</sup>
<b>South Australia</b>			
Siccus Project		Total Area	672km <sup>2</sup>
<b>Queensland</b>		<b>1 Sub block</b>	<b>3.20km<sup>2</sup></b>
Annable Project	16 sub blocks	Total Area	52km <sup>2</sup>

+ See chapter 19 for defined terms.





# MANHATTAN

MANHATTAN CORPORATION LIMITED

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