



**MANHATTAN**

MANHATTAN CORPORATION LIMITED

## **JUNE QUARTER 2016 HIGHLIGHTS**

- *Manhattan plans to recommence drilling at Ponton in the next Quarter*
- *Aircore drilling, utilising improved down hole gamma probe technology, will be targeted at discovering lignite hosted uranium immediately west of Vimy's Emperor deposit along with a series of twinned holes into the Stallion and Highway deposits, all to the north of the QVSNR*
- *The program, of around 40 holes, will provide additional high resolution gamma logging data to be applied to 515 existing holes at Stallion and Highway and utilised to report maiden JORC resource estimates for the two deposits*
- *Manhattan's executive team has held a series of successful Ministerial meetings with the WA government to gain support for the excision of our key tenement from the QVSNR by a Reserves Amendment Bill*
- *Further Ministerial meetings are now scheduled for early August 2016 to get the political and cabinet support to progress the drafting of the legislation*
- *While the uranium price is now at a 12 year low, contracting supply by mine closures and the obvious disincentive for investment in new mines, the Spot price is at odds with the new build of nuclear reactors continuing at record pace around the world to supply competitive, safe, carbon free, reliable, stable base load power*
- *Over 66,000Mw capacity at 66 sites is under construction led by China with 21, Russia 8, India 6 and the USA and UAE 4 reactors each*
- *A massive 172 further reactors, capable of delivering over 181,000Mw of electricity, are at the advanced planning and approval stage in 26 countries*
- *Manhattan's Ponton project is a potential lower quartile cost ISR uranium producer with modest capital requirements that could be developed at current uranium prices*
- *As the Japanese nuclear power fleet of 43 reactors is progressively recommissioned and the fuel to charge and supply the commissioning of new plants is ordered we believe the primary fuel supply squeeze will bite, drive the uranium price north and the industry outlook is positive*
- *Manhattan's 100% owned ISR Ponton project in WA has reported 17.2Mlb uranium oxide Inferred Resource with additional drilled Exploration Targets reported of 33 to 67Mlbs U<sub>3</sub>O<sub>8</sub>*
- **SPOT MARKET URANIUM OXIDE IS CURRENTLY US\$26.00 POUND**



## REVIEW OF OPERATIONS

### INTRODUCTION

Manhattan Corporation Limited's ("Manhattan") flagship Ponton uranium 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 1,250km<sup>2</sup> of 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 (Figures 1 & 2).

The Company is drill testing and developing palaeochannel sand hosted uranium mineralisation amenable to in-situ metal recovery ("ISR").

**FIGURE 1: MANHATTAN'S PONTON URANIUM PROJECT**



In March 2011 Manhattan reported an Inferred Resource for the Double 8 uranium deposit at Ponton in WA of 17.2 million pounds ("Mlb") of uranium oxide (" $U_3O_8$ ") at a 200ppm cutoff. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Exploration Results at Ponton, reported on 7 February 2014, have also identified four wide spaced drilled Exploration Targets with tonnage ranges of 4 to 45 million tonnes ("Mt"), grade ranges of 250 to 450ppm  $U_3O_8$  totalling 33 to 67Mlb  $U_3O_8$  at the 200ppm  $U_3O_8$  cutoff. In accordance with clause 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets 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 Mineral Resource.

The four Exploration Targets reported for the Ponton project are:

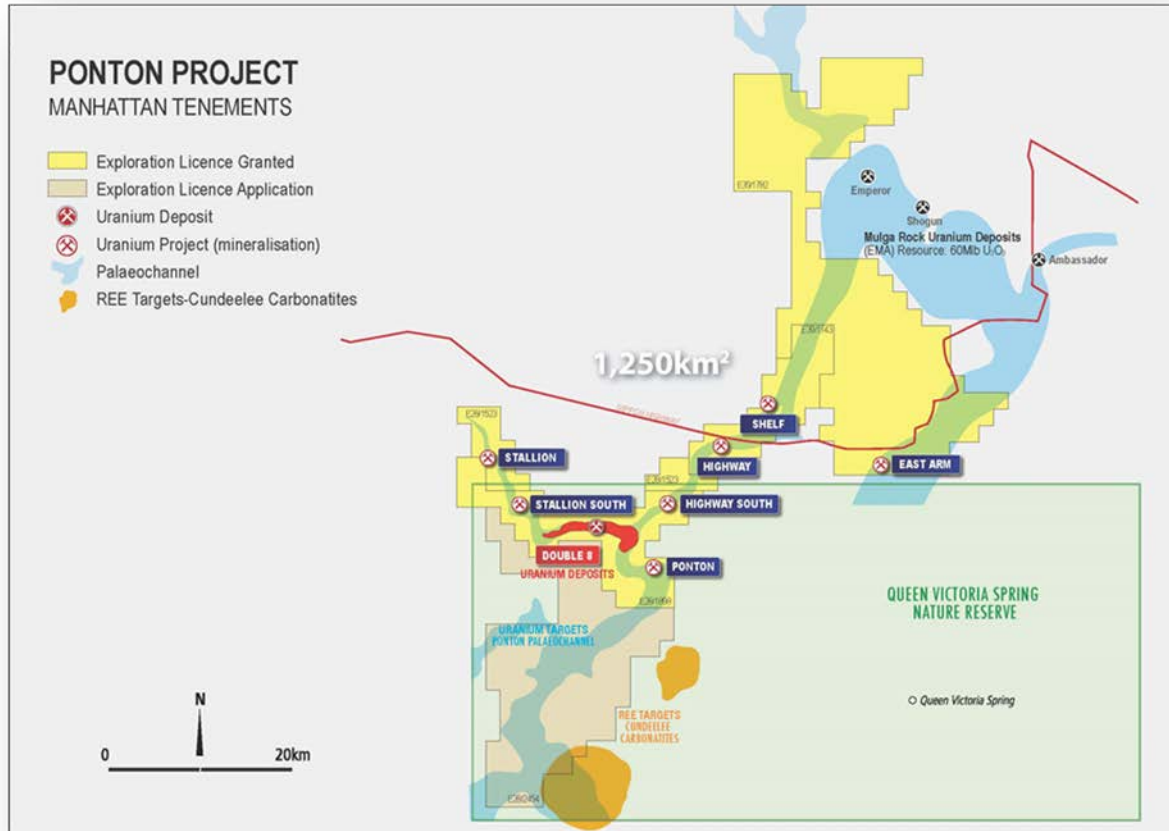
- Double 8 of between 2.5 and 5.5Mlb  $U_3O_8$ ;
- Stallion South of between 8 and 16Mlb  $U_3O_8$ ;
- Highway South of between 8 and 16Mlb  $U_3O_8$ ; and
- Ponton of between 15 and 30Mlb  $U_3O_8$



The Double 8 Resource Estimate and the Double 8, Stallion South, Highway South and Ponton Exploration Targets reported here were prepared by the Company's independent resource consultants Hellman & Schofield.

The Double 8 uranium deposit and the four Exploration Targets at Double 8, Stallion South, Highway South and Ponton are all located on granted exploration licence, E28/1898, located mostly within the Queen Victoria Spring Nature Reserve ("QVSNR") (Figures 2 & 3).

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



The four Exploration Targets reported are based on actual exploration results including Manhattan's aircore and sonic drilling of over 760 holes and 52,700 metres of drilling along the palaeochannels immediately to the north of QVSNR, over 50km of conductive palaeochannels defined by the Company's airborne EM and magnetic surveys within QVSNR (Figure 3) and uranium mineralised sands discovered in previous drilling of 114 holes and 6,900 metres of drilling and down hole gamma logging by PNC Exploration ("PNC") and Uranerz Limited ("Uranerz") in the area.

Manhattan is now seeking exploration access approval to exploration licence E28/1898 located mostly within the QVSNR. The licence was granted in August 2011. On gaining exploration access to E28/1898 Manhattan will recommence drill testing and evaluation of the Double 8 uranium deposit and the four Exploration Targets identified at Double 8, Stallion South, Highway South and Ponton prospects where resource definition drilling will underpin the future development of the project.



## REVIEW OF PROJECTS

### 1. PONTON PROJECT (WA)

**Interest: Manhattan 100%**

**Operator: Manhattan Corporation Limited**

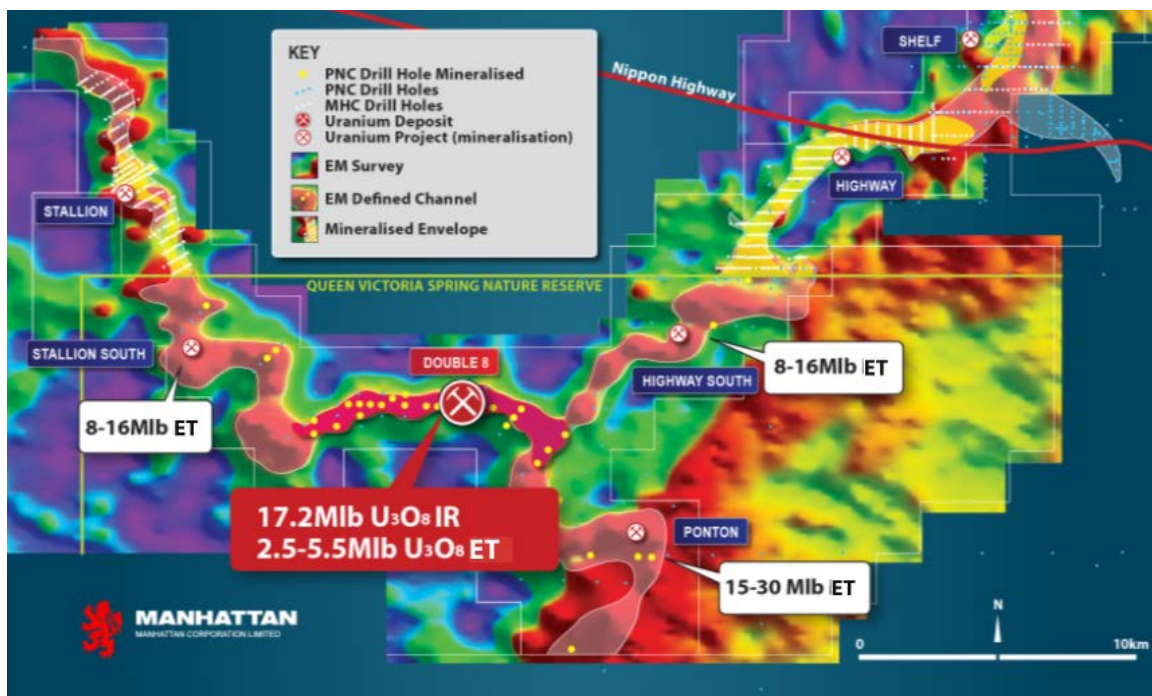
The Ponton project area is underlain by Tertiary palaeochannels within the Gunbarrel Basin. Carbonaceous sand hosted uranium mineralisation, below 40 to 70 metres of cover, has now been defined by drilling along 55 kilometres of the palaeochannels at Stallion, Stallion South, Double 8, Ponton, Highway and Highway South prospects (Figure 3). At a depth of 40 to 70 metres the uranium mineralisation is in shallow reduced sand hosted tabular uranium deposits in a confined palaeochannel that is potentially amenable to ISR metal recovery, the lowest cost method of producing yellowcake with the least environmental impact.

Within E28/1898 approximately 6,900 metres of drilling, in 114 drill holes, was drilled and down hole gamma logged by PNC and Uranerz in 1983 to 1986. This drilling discovered the palaeochannel sand hosted uranium mineralisation at Double 8, Stallion South, Highway South and Ponton (Figure 3). Manhattan has obtained and compiled all the PNC and Uranerz exploration results including the geological drill logs, assay results, down hole gamma logs, logging tool calibrations and estimated disequilibrium factors. These drill logs and gamma logs have been digitised and verified by Manhattan's independent consultants 3D Exploration Pty Ltd.

Forty four (44) of these drill holes were drilled into the Double 8 deposit. Double 8 was found to host roll-front or tabular type uranium mineralisation in the lower parts of the palaeochannel (40 to 70 metres depth) in reduced sands. The uranium mineralisation was drill intersected in an area along approximately nine kilometres of the palaeochannel, at widths of approximately 500m on average and down hole thicknesses of 3 to 25 metres.

From December 2009 to December 2010 Manhattan drilled over 52,700 metres of aircore and sonic drilling in 767 holes along the palaeochannels at Ponton to the north of the QVSNR. Manhattan's exploration and drilling results and the historic PNC and Uranerz data have been reviewed and the Inferred Resource estimated for Double 8 and Exploration Targets reported for Double 8, Stallion South, Highway South and Ponton prospects.

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





## 2. DOUBLE 8 URANIUM DEPOSIT (WA)

**Interest: Manhattan 100%**

**Operator: Manhattan Corporation Limited**

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

### DOUBLE 8 INFERRED RESOURCE ESTIMATES

An Inferred Resource of 7,800 tonnes (17.2Mlb) of uranium oxide at a 200ppm  $U_3O_8$  cutoff for the Double 8 uranium deposit was reported in 2011. The reported resources are based on RC drilling by PNC in the mid 1980's and are classified as Inferred. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

#### Double 8 Inferred Resources

DOUBLE 8 INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE $U_3O_8$ (ppm)	TONNES (MILLION)	GRADE $U_3O_8$ (ppm)	TONNES $U_3O_8$ (t)	POUNDS (MILLION) $U_3O_8$ (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  $U_3O_8$  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.  $eU_3O_8$  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  $eU_3O_8$ . A further disequilibrium factor is applied by multiplying  $eU_3O_8$  by 1.2 to establish  $U_3O_8$ . 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  $U_3O_8$  grade results reported are subject to possible disequilibrium factors that should be taken into account when assessing the reported grades.

### DOUBLE 8 EXPLORATION TARGET

The Double 8 Exploration Target, reported in January 2014, is based on 44 drill holes totalling approximately 2,700 metres of drilling and down hole gamma logs in areas of the deposit where drill spacing is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified a drilled Exploration Target with uranium mineralisation potential, at a 200ppm  $U_3O_8$  cutoff, at Double 8 of 4 to 8Mt grading 250 to 450ppm  $U_3O_8$  containing 1,100 to 2,500 tonnes or 2.5 to 5.5Mlb of contained  $U_3O_8$ .

#### Double 8 Exploration Target

DOUBLE 8 EXPLORATION TARGET				
CUTOFF GRADE $U_3O_8$ (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE $U_3O_8$ (ppm)	TONNAGE RANGE $U_3O_8$ (t)	POUNDS RANGE (MILLION) $U_3O_8$ (Mlb)
200	4 - 8	250 - 450	1,100 - 2,500	2.5 - 5.5

In accordance with clause 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets 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 Mineral Resource.

The uranium mineralisation at Double 8 remains open and is yet to be closed off by drilling. Manhattan considers that further infill drilling, on 100m x 400m centres, 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 2012.

On gaining exploration access to E28/1898, and approval of Manhattan's Program of Work ("POW") by the Department of Mines and Petroleum ("DMP"), the Company plans to complete approximately 200 aircore drill holes for 16,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel within the reported Inferred Resource area at Double 8. This drilling program, including the resource definition drilling planned for the Stallion South, Highway South and Ponton prospects, will be completed within approximately one year of POW approval (Figure 3).

### 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 granted licence E28/1898 within the QVSNR (Figures 2 & 3).

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 EXPLORATION TARGET

The Stallion South Exploration Target, reported in January 2014, is based on 13 drill holes totalling approximately 780 metres of drilling and down hole gamma logs. This drilling, on approximately 400m x 3km centres along the palaeochannel, is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified a drilled Exploration Target with uranium mineralisation potential at a 200ppm  $U_3O_8$  cutoff, for Stallion South of 12 to 24Mt grading 250 to 350ppm  $U_3O_8$  containing 3,600 to 7,300 tonnes or 8 to 16Mlb of contained  $U_3O_8$ .

#### Stallion South Exploration Target

STALLION SOUTH EXPLORATION TARGET				
CUTOFF GRADE $U_3O_8$ (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE $U_3O_8$ (ppm)	TONNAGE RANGE $U_3O_8$ (t)	POUNDS RANGE (MILLION) $U_3O_8$ (Mlb)
200	12 - 24	250 - 350	3,600 - 7,300	8 - 16

*In accordance with clause 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets 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 Mineral Resource.*

On gaining exploration access to E28/1898, and approval of Manhattan's POW by DMP, the Company plans to complete approximately 250 aircore drill holes for 20,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel at Stallion South. This drilling program, including the resource definition drilling planned for Double 8 and the Highway South and Ponton prospects, will be completed within approximately one year of POW approval (Figure 3).

### 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 granted licence E28/1898 within the QVSNR (Figures 2 & 3).

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 basement.



## HIGHWAY SOUTH EXPLORATION TARGET

The Highway South Exploration Target, reported in January 2014, is based on 33 drill holes totalling approximately 1,980 metres of drilling and down hole gamma logs. This drilling, on approximately 400m x 2km centres along the palaeochannel, is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified drilled Exploration Targets with uranium mineralisation potential at a 200ppm U<sub>3</sub>O<sub>8</sub> cutoff, for Highway South of 12 to 24Mt grading 250 to 350ppm U<sub>3</sub>O<sub>8</sub> containing 3,600 to 7,300 tonnes or 8 to 16Mlb of contained U<sub>3</sub>O<sub>8</sub>.

### Highway South Exploration Target

HIGHWAY SOUTH EXPLORATION TARGET				
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 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets 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 Mineral Resource.*

On gaining exploration access to E28/1898, and approval of Manhattan's POW by DMP, the Company plans to complete approximately 250 aircore drill holes for 20,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel at Highway South. This drilling program, including the resource definition drilling planned for Double 8 and the Stallion South and Ponton prospects, will be completed within approximately one year of POW approval (Figure 3).

## 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 granted licence E28/1898 within the QVSNR (Figures 2 & 3).

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 EXPLORATION TARGET

The Ponton Exploration Target, reported in January 2014, is based on 24 drill holes totalling approximately 1,440 metres of drilling and down hole gamma logs. This drilling, on approximately 1km x 1km centres along the palaeochannel, is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified drilled Exploration Targets with uranium mineralisation potential, at a 200ppm U<sub>3</sub>O<sub>8</sub> cutoff, for the Ponton prospect of 23 to 45Mt grading 250 to 350ppm U<sub>3</sub>O<sub>8</sub> containing 6,800 to 13,600 tonnes or 15 to 30Mlb of contained U<sub>3</sub>O<sub>8</sub>.



### Ponton Exploration Target

PONTON EXPLORATION TARGET				
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 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets 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 Mineral Resource.*

On gaining exploration access to E28/1898, and approval of Manhattan's POW by DMP, the Company plans to complete approximately 300 aircore drill holes for 24,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel at the Ponton prospect. This drilling program, including the resource definition drilling planned for Double 8 and the Stallion South and Highway South prospects, will be completed within approximately one year of POW approval (Figure 3).

## 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 along 8 kilometres of the palaeochannel at Stallion (Figure 3). 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.

The resource potential for Stallion is being assessed by the Company's independent resource consultants. The secular disequilibrium data for 205 sonic and aircore drill holes indicates a positive disequilibrium factor of 1 to over 3 above 80ppm U<sub>3</sub>O<sub>8</sub> and confirms that a disequilibrium factor for the Stallion prospect may be significantly higher than the x1.2 currently assumed for the reported Inferred Resources and Exploration Targets at Ponton. The application of the high resolution Germanium HpGe down hole probe when drilling recommences, that detects protactinium isotope Pa<sup>214</sup> which reaches equilibrium with U<sup>238</sup> within days, will establish (with the required statistical confidence) the conversion of the high resolution gamma logs to uranium grades for reporting of resource estimates at Stallion.

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 along 10 kilometres of the palaeochannel at Highway (Figure 3). 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.

As at Stallion, the resource potential for Highway is being assessed by the Company's independent resource consultants. The secular disequilibrium data also indicates a positive disequilibrium factor of 1 to over 3 above 80ppm U<sub>3</sub>O<sub>8</sub> and confirms that a disequilibrium factor for the Highway prospect may be significantly higher than the x1.2 currently assumed for the reported resource estimates at Ponton. Again, the application of the high





resolution Germanium HpGe down hole probe when drilling recommences, that detects protactinium isotope Pa<sup>214</sup> which reaches equilibrium with U<sup>238</sup> within days, will establish (with the required statistical confidence) the conversion of the high resolution gamma logs to uranium grades for reporting of resource estimates at Highway.

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 Shelf previous drilling by PNC and Uranerz on 200m x 100m centres identified shallower lignite hosted uranium mineralisation within the upper sandstone and claystone. In 2010 Manhattan drilled 8 duplicate aircore holes into, and confirmed, the lignite mineralisation at Shelf.

As well, in 2010 Manhattan drilled on lines approximately 800m and 1.2km apart along 20km of the palaeochannel to the north of Shelf and Highway to test the potential for additional resources within the palaeochannel to the north.

The resource potential for Shelf is being reviewed. As at Stallion and Highway, the application of the high resolution Germanium HpGe probe down hole logging will establish (with the required statistical confidence) the conversion of the high resolution gamma logs to uranium grades for reporting of resource estimates at Shelf.

## SUMMARY

In March 2011 Manhattan reported Inferred Resource for Double 8 of 17.2Mlb of uranium oxide and in February 2014 the Company reported an additional four drilled Exploration Targets with uranium 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, for the Double 8, Stallion South, Highway South and Ponton prospects.

The sand hosted uranium mineralisation is located in shallow, 40 to 70 metres deep, contiguous palaeochannels along 55km of strike at Ponton. Manhattan's four granted Exploration Licences and one EL application over the prospective palaeochannels at Ponton cover an area of 1,250km<sup>2</sup>.

Tetra Tech's 2011 desktop scoping study confirms Manhattan's shallow near surface sand hosted palaeochannel uranium deposits at Ponton have potential to be viable, sustainable low cost ISR uranium producers with modest capital requirements to develop.

Manhattan is now planning to drill around 40 aircore holes at Ponton in the next Quarter.

The drilling will target the area approximately 40km north of the QVSNR immediately to the west and north of Vimy Resources Ltd's (ASX:VMY) Emperor uranium deposit. This deposit is currently in the final stages of a bankable feasibility study and the mine approval process.

As well, additional holes utilising improved gamma probe technology, will be drilled into Manhattan's Stallion and Highway uranium deposits north of the QVSNR. The application of the new high resolution down hole gamma probe data will be applied to the conversion of the existing 515 gamma logs to establish confident disequilibrium conversion factors for the 515 drill holes at Stallion and Highway. If successful, the new disequilibrium conversions to uranium grades for the existing 515 logs will be used to report maiden JORC resource estimates for the two deposits.

Manhattan has had a series of Ministerial meetings with the WA government to gain their support for the Reserves Amendment Bill that would excise our key exploration tenement from the QVSNR. The excision will allow ground access to E28/1898 for us to commence resource definition drilling on the Double 8, Stallion, Highway and Ponton uranium



deposits. Gaining access to these resources remains a high priority and we have further Ministerial meetings scheduled for early August to progress the drafting of the legislation.

As miners cut uranium production, along with the low commodity price being a disincentive to invest in new mines, the record new build of nuclear power reactors around the world continues to gather pace driven by the demand for low carbon base load power.

This contracting primary fuel supply is in conflict with the expansion of the industry underway. As Japan recommissions its power reactors and new reactors are charged and commissioned the fuel supply squeeze will hit and we hold the view that the demand and price for uranium will improve.

The modest capital raise in the previous Quarter has enabled the Company to recommence drilling Ponton and potentially establish maiden resource estimates for Stallion and Highway and test for the western extensions of the Emperor uranium deposit, in our ground, to the north of QVSNR.

**ALAN J EGGERS**

Executive Chairman

28 July 2016

**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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves "JORC Code 2012". 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.*

