



MANHATTAN

MANHATTAN CORPORATION LIMITED

JUNE QUARTER 2017 HIGHLIGHTS

- *Manhattan's 100% owned ISR Ponton uranium project in WA has reported Inferred Resources of 24Mlb uranium oxide in four deposits*
- *Double 8 Inferred Resource of 17.2Mlb is located within QVSNR with Inferred Resources totalling 7Mlb uranium oxide reported for the Stallion, Highway and Shelf uranium deposits to the north, and outside, the QVSNR*
- *In addition Exploration Results reported, for the palaeochannels within QVSNR at Ponton, have identified four wide spaced drilled uranium oxide Exploration Targets*
- *WA Labor government's policies not to approve uranium mines or allow mineral exploration in A Class reserves suggests there is little likelihood of progressing the Ponton uranium project over the four year term of the present government*
- *Manhattan will maintain its key tenements at Ponton as a potential future low cost uranium mine development opportunity when the Labor policies or the WA government change*
- *The rush to renewables and emerging power storage technologies around the globe cloud nuclear developments and direct politicians and investment away from the sector*
- *Over optimistic renewable energy targets (up to 100% renewables by 2050) being set are unlikely to be met but also galvanise effort away from nuclear*
- *Tier one uranium development projects in Western Australia and Tanzania now on hold*
- *Paladin Energy calls in KPMG administrators under a mountain of debt and failed asset sales. Paladin's problems were compounded when uranium prices plunged in 2011 and failed to recover after the Fukushima nuclear incident and tsunami in Japan*
- *Nuclear energy remains well established in the global energy mix, and with a record new build underway, ordered and planned, over the longer term uranium demand will exceed supply and this will result in higher uranium prices*
- *With the current ban on progressing uranium projects in WA we are now developing a revised business plan to take the company forward*
- **SPOT MARKET URANIUM OXIDE REMAINS DEPRESSED AT US\$20.25 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 690km² 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



On 23 January 2017 Manhattan reported an upgraded JORC Code 2012 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. As well, maiden JORC Code 2012 combined Inferred Resources estimates for three uranium deposits at Ponton of 21.5 million tonnes ("Mt"), grading from 137 to 151ppm U_3O_8 totalling 6.97Mlb U_3O_8 at a 100ppm cutoff were reported.

The four Inferred Resource estimates reported for Ponton project are:

- Double uranium deposit of 17.2Mlb U_3O_8 at 200ppm cut off;
- Stallion uranium deposit of 3.3Mlb U_3O_8 at 100ppm cutoff;
- Highway uranium deposit of 1.9Mlb U_3O_8 at 100ppm cutoff; and
- Shelf uranium deposit of 1.8Mlb U_3O_8 at 100ppm cutoff

Exploration Results at Ponton, reported on 7 February 2014, have also identified four wide spaced drilled Exploration Targets with tonnage ranges of 4 to 45Mt, 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.



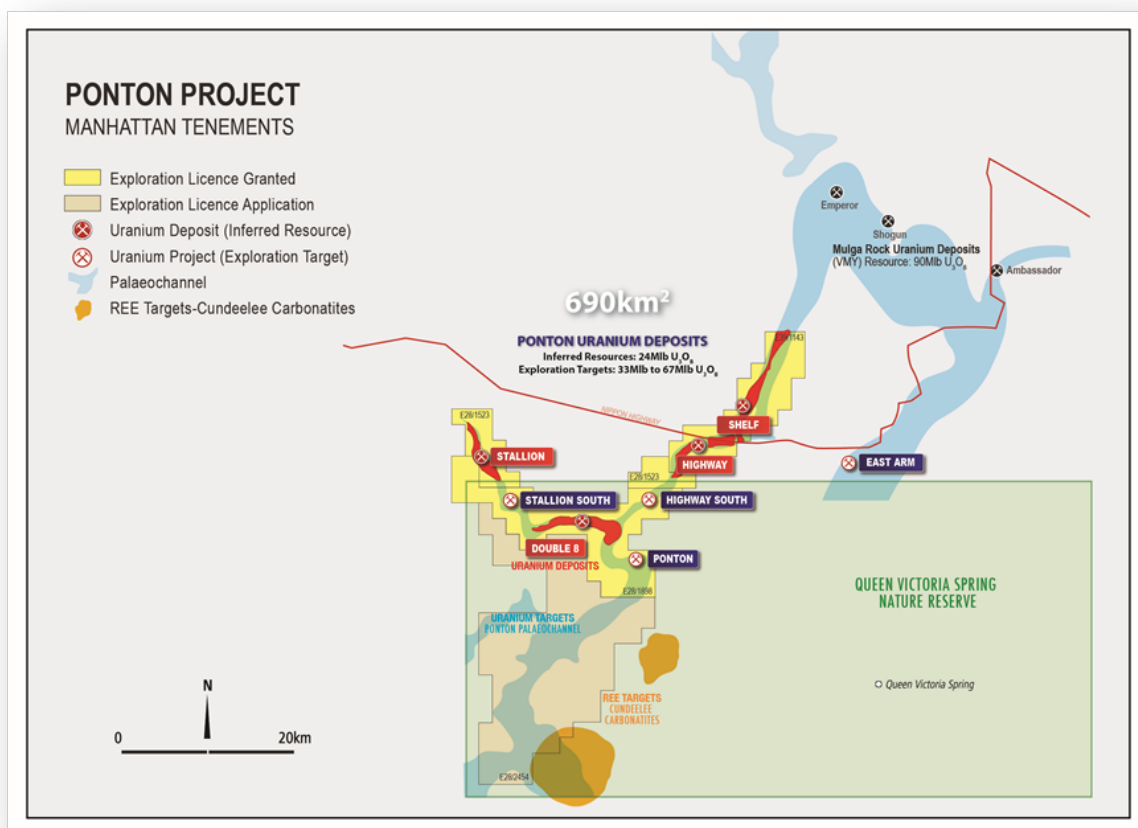
The four Exploration Targets reported for the Ponton project are:

- Double 8 of between 2.5 and 5.5Mlb U₃O₈;
- Stallion South of between 8 and 16Mlb U₃O₈;
- Highway South of between 8 and 16Mlb U₃O₈; and
- Ponton of between 15 and 30Mlb U₃O₈

The four Inferred Resource estimates and four Exploration Targets at Ponton reported here were prepared by the Company's independent resource consultants H&S Consultants ("H&S").

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 Mineral Resource Estimates reported in January 2017, and the four Exploration Targets previously reported in 2014, are based on actual exploration results including Manhattan's aircore and sonic drilling of over 767 holes and 52,700 metres of drilling along the palaeochannels immediately to the north of QVSNR in 2009 and 2010, 21 holes and 1,170 metres of drilling by Manhattan in 2016 and over 70km 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 in the 1980's.

Whilst a proposal has been developed to excise granted E28/1898 (that equates to 6% or 160km² of the 2,700km² QVSNR) from the reserve by a Reserves Amendment Bill in the WA parliament this proposal is now on hold. The WA state Labor government's policy of not to approve any new uranium mines, or permit mineral exploration in A Class reserves, suggests there is little likelihood of progressing the exploration and development of the Ponton uranium project over the next four year term of the present WA government.



REVIEW OF PROJECTS

1. PONTON PROJECT (WA)

Interest: Manhattan 100%

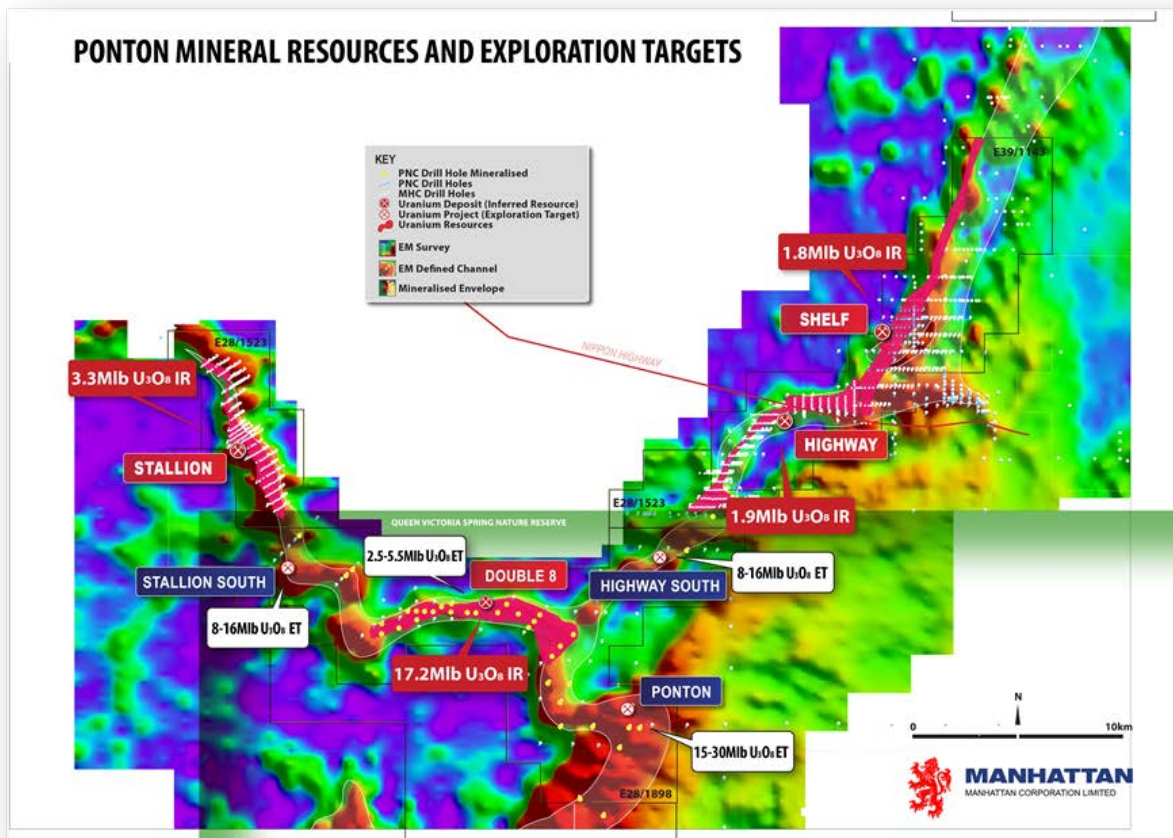
Operator: Manhattan Corporation Limited

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.

In 2009 Uranio drilled 1,683 metres of aircore in 20 holes and from December 2009 to September 2016 Manhattan drilled over 52,400 metres of aircore and sonic drilling in 735 holes along the palaeochannels at Ponton to the north of the QVSNR. Manhattan and Uranio's exploration and drilling results and the historic PNC and Uranerz data have been reviewed and the Inferred Resource estimated for Double 8, Stallion, Highway and Shelf deposits and Exploration Targets reported for Double 8, Stallion South, Highway South and Ponton prospects.

**FIGURE 3: DOUBLE 8, STALLION, HIGHWAY AND SHELF INFERRED RESOURCES (IR)
DOUBLE 8, STALLION SOUTH, HIGHWAY SOUTH & PONTON EXPLORATION TARGETS (ET)**





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 on 23 January 2017. The reported resources are based on RC drilling by PNC in the mid 1980's. This information was prepared and first disclosed under the JORC Code 2004. This updated JORC Code 2012 resource estimate was prepared by H&SC.

Double 8 Inferred Resources

DOUBLE 8 INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE eU_3O_8 (ppm)	TONNES (MILLION)	GRADE eU_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

H&SC's resource estimate for the Double 8 uranium deposit is based on approximately 2,706m of drilling from 44 aircore holes drilled by PNC in the early 1980's along 10 kilometres of the palaeochannel at Double 8 (Figure 3). The drilling has covered an area of approximately 9 x 1.2 km of the Ponton palaeochannel. 40 holes were successfully logged for uranium decay products using a down hole gamma radiometric probe. The original analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU_3O_8 .

The uranium mineralisation at Double 8 remains open and is yet to be closed off by drilling. Manhattan considers that further drilling, on 100m x 400m centres, of the Double 8 deposit and Exploration Target will expand on the reported resources and targets and the confidence levels of reported resources will improve.

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 drilling, on 100m x 400m centres, of the Double 8 deposit and Exploration Target will expand on the reported resources and targets and the confidence levels of reported resources will improve.

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 and Exploration Target areas 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 (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).

STALLION INFERRED RESOURCE ESTIMATES

An Inferred Resource of 1,490 tonnes (3.3Mlb) of uranium oxide at a 100ppm U₃O₈ cutoff for the Stallion uranium deposit was reported on 23 January 2017. The reported resources are based primarily on Manhattan's aircore and sonic drilling in 2010 and 2016. This JORC Code 2012 resource estimate was prepared by H&SC.

Stallion Inferred Resources

STALLION INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE eU ₃ O ₈ (ppm)	TONNES (MILLION)	GRADE eU ₃ O ₈ (ppm)	TONNES U ₃ O ₈ (t)	POUNDS (MILLION) U ₃ O ₈ (Mlb)
100	9.9	151	1,490	3.3
150	3.6	200	720	1.6
200	1.3	253	330	0.7

H&SC's resource estimate for the Stallion uranium deposit is based on a total of 252 drill holes totalling 18,746m of drilling including 7 aircore holes for approximately 401 metres of drilling by PNC in the early 1980s and Manhattan's 226 vertical aircore drill holes totalling 16,914m and 16 duplicate sonic drill holes totalling 1,179m of drilling along 8 kilometres of the palaeochannel at Stallion in 2009 and 2010 and 3 aircore holes for 252m, utilising improved high resolution gamma probe technology, drilled into the Stallion deposit twinning previously drilled Manhattan aircore and sonic drill holes in 2016 (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 original PNC analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU₃O₈.

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

4. 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).



HIGHWAY INFERRED RESOURCE ESTIMATES

An Inferred Resource of 860 tonnes (1.9Mlb) of uranium oxide at a 100ppm U₃O₈ cutoff for the Highway uranium deposit was reported on 23 January 2017. The reported resources are based primarily on Manhattan and Uranio's aircore and sonic drilling in 2009, 2010 and 2016. This JORC Code 2012 resource estimate was prepared by H&SC.

Highway Inferred Resources

HIGHWAY INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE eU ₃ O ₈ (ppm)	TONNES (MILLION)	GRADE eU ₃ O ₈ (ppm)	TONNES U ₃ O ₈ (t)	POUNDS (MILLION) U ₃ O ₈ (Mlb)
100	5.7	150	860	1.9
150	2.4	196	470	1.0
200	1.0	234	220	0.5

H&SC's resource estimate for the Highway uranium deposit is based on a total of 304 drill holes totalling 18,236m of drilling including 6 aircore holes for approximately 279 metres of drilling by PNC and 27 RC hole for approximately 1,378m of aircore and reverse circulation ("RC") drilling by Uranerz in the early 1980s, Uranio's 5 aircore holes totalling 381m in 2009, Manhattan's 260 vertical aircore drill holes totalling 15,832m and 3 duplicate sonic drill holes totalling 183m of drilling along 10 kilometres of the palaeochannel at Stallion in 2009 and 2010 and 3 aircore holes for 183m, utilising improved high resolution gamma probe technology, drilled into Highway twinning previously drilled Manhattan aircore and sonic drill holes in 2016 (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 original PNC and Uranerz analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU₃O₈.

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.

5. SHELF (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

SHELF INFERRED RESOURCE ESTIMATES

An Inferred Resource of 810 tonnes (1.8Mlb) of uranium oxide at a 100ppm U₃O₈ cutoff for the Shelf uranium deposit was reported on 23 January 2017. The reported resources are based on RC and aircore drilling by Uranerz in the mid 1980's and Manhattan and Uranio's aircore drilling in 2009 and 2010. This JORC Code 2012 resource estimate was prepared by H&SC.

Shelf Inferred Resources

SHELF INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE eU ₃ O ₈ (ppm)	TONNES (MILLION)	GRADE eU ₃ O ₈ (ppm)	TONNES U ₃ O ₈ (t)	POUNDS (MILLION) U ₃ O ₈ (Mlb)
100	5.9	137	810	1.8
150	1.4	187	270	0.6
200	0.3	270	80	0.2

H&SC's resource estimate for the Shelf uranium deposit is based on a total of 352 drill holes totalling 21,550m of drilling including 110 holes for approximately 5,871m of aircore and RC drilling by Uranerz in the early 1980's,



Uranio's 15 aircore holes totalling 1,302m in 2009 and Manhattan's 227 vertical aircore drill holes totalling 14,377m in 2010 (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 along 14 kilometres of the palaeochannel at Shelf in 2010. The original Uranerz analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU₃O₈ and all the Uranio and Manhattan drill holes were gamma logged.

Apart from some shallow lignite hosted uranium mineralisation encountered at the central Shelf uranium deposit 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.

6. 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 U₃O₈ cutoff, for Stallion South of 12 to 24Mt grading 250 to 350ppm U₃O₈ containing 3,600 to 7,300 tonnes or 8 to 16Mlb of contained U₃O₈.

Stallion South Exploration Target

STALLION SOUTH EXPLORATION TARGET				
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 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).

7. 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_3O_8 cutoff, for Highway 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 .

Highway South Exploration Target

HIGHWAY 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 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).

8. 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_3O_8 cutoff, for the Ponton prospect of 23 to 45Mt grading 250 to 350ppm U_3O_8 containing 6,800 to 13,600 tonnes or 15 to 30Mlb of contained U_3O_8 .



Ponton Exploration Target

PONTON EXPLORATION TARGET				
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	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).

SUMMARY

Manhattan completed a drilling program at Ponton in late 2016 that delivered the required information to complete and report, on 23 January 2017, an upgraded JORC Code 2012 Inferred Resource for the Double 8 uranium deposit at Ponton in WA of 17.2 million pounds of uranium oxide.

As well, maiden JORC Code 2012 combined Inferred Resource estimates at Ponton were reported in January 2017 totalling 6.97Mlb uranium oxide for the Stallion, Highway and Shelf uranium deposits to the north of the QVSNR.

The four Inferred Mineral Resources reported in January 2017 of over 24Mlb uranium oxide at Ponton are additional to the four Exploration Targets at Double 8, Stallion South, Highway South and Ponton previously reported in 2014 of 33 to 67Mlb uranium oxide.

Manhattan's key licence at Ponton, E28/1898, is located mostly within the remote QVSNR, 200km east northeast of Kalgoorlie.

Whilst a proposal has been developed to excise granted E28/1898 (that equates to 6% or 160km² of the 2,700km² QVSNR) from the reserve by a Reserves Amendment Bill in the WA parliament this proposal is now on hold.

The WA state Labor government's stated policy of not to approve any new uranium mines, and their previously stated policy of not to allow mineral exploration in A Class reserves, suggests there is little likelihood of progressing the exploration and development of the Ponton uranium project over the next four year term of the present WA government.

Although the WA Labor policy is at odds with the four new uranium development projects approved by WA state and Federal environmental authorities at Yeelirrie, Kintyre, Wiluna and Mulga Rock in WA, we do not see any change in the WA government's stand on uranium approvals or exploration access to A Class reserves in the foreseeable future.

Manhattan will maintain its interests in the key tenement areas at Ponton, with a view that the WA government's policy on uranium approvals may change in the future and or the Labor government will be replaced by a government that is supportive of the industry. The project is a future low cost development opportunity for Manhattan as the ISR Ponton project now has reported JORC Inferred Resources and Exploration Targets of 57Mlbs to 91Mlbs making it the third largest uranium resource project in WA that positions Ponton as a project of key regional, state and national significance.

Whilst we believe the low carbon clean and safe uranium power industry has a bright future the current rush to renewables and the emerging power storage technologies around the globe are clouding the issue and directing politicians and investment away from nuclear.



Despite over optimistic renewable energy targets being set such as California 60% by 2030, Hawaii 100% by 2050 along with 48 third world countries vulnerable to climate change and 100 multinationals making a commitment to 100% renewables (The Economist 13 July 2017) these targets are unlikely to be met but they also galvanise effort away from base load nuclear power.

The spot uranium price continues to be depressed sinking to US\$19.50lb at the beginning of June (a 17 year low) and is now at US\$20.25lb in mid July 2017. Trade Tech's term price indicators remained at US\$24.45lb (mid) and US\$34.00lb (long).

As a result a number of tier one uranium development projects are on hold around the world including the four WA projects and the Mkuju River project in Tanzania.

Perth based uranium miner Paladin Energy has called in the administrators under a mountain of debt and failed asset sales when French partner EDF demanded repayment of US\$277m loan by 10 July 2017. Paladin faces another bond holder payment of US\$370m by 30 September this year and has further debt maturing in 2018. Paladin's problems were compounded when uranium prices plunged in 2011 after the Fukushima nuclear incident and tsunami in Japan.

However, with nuclear energy well established in the global energy mix and a record new build underway of 59 plants capable of generating 64,150MWe with another 160 nuclear plants (164,500MWe capacity) ordered or planned (WNA 1 July 2017) over the longer term uranium demand will exceed supply and this will cause uranium prices to increase.

As reported in our 30 June 2017 Appendix 5B Cash Flow Report Manhattan completed a capital raising by a Share Purchase Plan to shareholders and a 708 placement to sophisticated investors in the last Quarter that raised, in total, \$140,000. Manhattan currently maintains cash reserves of \$187,000 with an R&D Tax Refund due in the first half of the 2017 2018 financial year.

With the current ban on progressing uranium projects in WA we are now developing a revised business plan to take the company forward and generate wealth for our investors.

ALAN J EGGERS

Executive Chairman
24 July 2017

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.

