



MANHATTAN

MANHATTAN CORPORATION LIMITED

2012

ANNUAL REPORT

ABN 61 123 156 089

www.manhattancorp.com.au

“Positive outlook to return with solid fundamentals in the uranium sector”

“Uranium market observers believe the worst is over and the outlook for the global uranium industry is brighter, based on the sound fundamentals of the sector, with uranium having a very positive future in the medium to longer term

BHP Billiton’s sale of its WA Yeelirrie uranium deposit to Canada’s Cameco reaffirms that the emerging uranium industry in WA has a future, WA as a good place to invest in the sector, the big players are still acquiring quality assets at reasonable prices and there is a sound future for the industry”

CONTENTS

CORPORATE DIRECTORY	1
CHAIRMAN’S REVIEW	2
REVIEW OF OPERATIONS	6
DIRECTORS’ REPORT	17
AUDITOR’S REPORT	29
AUDITOR’S DECLARATION	31
FINANCIAL STATEMENTS	32
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	32
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	33
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	34
CONSOLIDATED STATEMENT OF CASH FLOWS	35
NOTES TO THE FINANCIAL STATEMENTS	36
DIRECTORS’ STATEMENT	57
CORPORATE GOVERNANCE STATEMENT	58
ASX ADDITIONAL INFORMATION	75
ANALYSIS OF SHAREHOLDINGS	75
TENEMENT SCHEDULE	78

CORPORATE DIRECTORY

DIRECTORS

Alan J Eggers Executive Chairman
B.Sc, B.Sc(Hons), M.Sc, F.S.E.G., MAusIMM, MAIG

Marcello Cardaci Non Executive Director
B.Juris, LLB, B.Com

John A G Seton Non Executive Director
LLM(Hons)

COMPANY SECRETARY

Sam Middlemas
B.Com, PGradDipBus., CA

BUSINESS OFFICE

Ground Floor
15 Rheola Street
WEST PERTH WA 6005

PO Box 1038
WEST PERTH WA 6872

Telephone: +61 8 9322 6677
Facsimile: +61 8 9322 1961

REGISTERED OFFICE

Ground Floor
15 Rheola Street
WEST PERTH WA 6005

INTERNET ACCESS

Email: info@manhattancorp.com.au
Web Site: www.manhattancorp.com.au

COUNTRY OF INCORPORATION

Australia

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Investor Enquiries

Australia: 1300 850 505
International: +61 3 9415 4000
Facsimile: +61 8 9323 2033
Web Site: www.computershare.com.au

AUDITORS

Rothsay Chartered Accountants
Level 18, Central Park Building
152 - 158 St Georges Terrace
PERTH WA 6000

BANKERS

Westpac Banking Corporation
109 St Georges Terrace
PERTH WA 6000

SOLICITORS

Gilbert + Tobin
1202 Hay Street
WEST PERTH WA 6005

CORPORATE ADVISERS

Gresham Advisory Partners
PERTH WA 6000

STOCK EXCHANGE LISTING

Australian Securities Exchange ("ASX")
ASX Code: MHC

"Nuclear fleet continues to expand world wide"

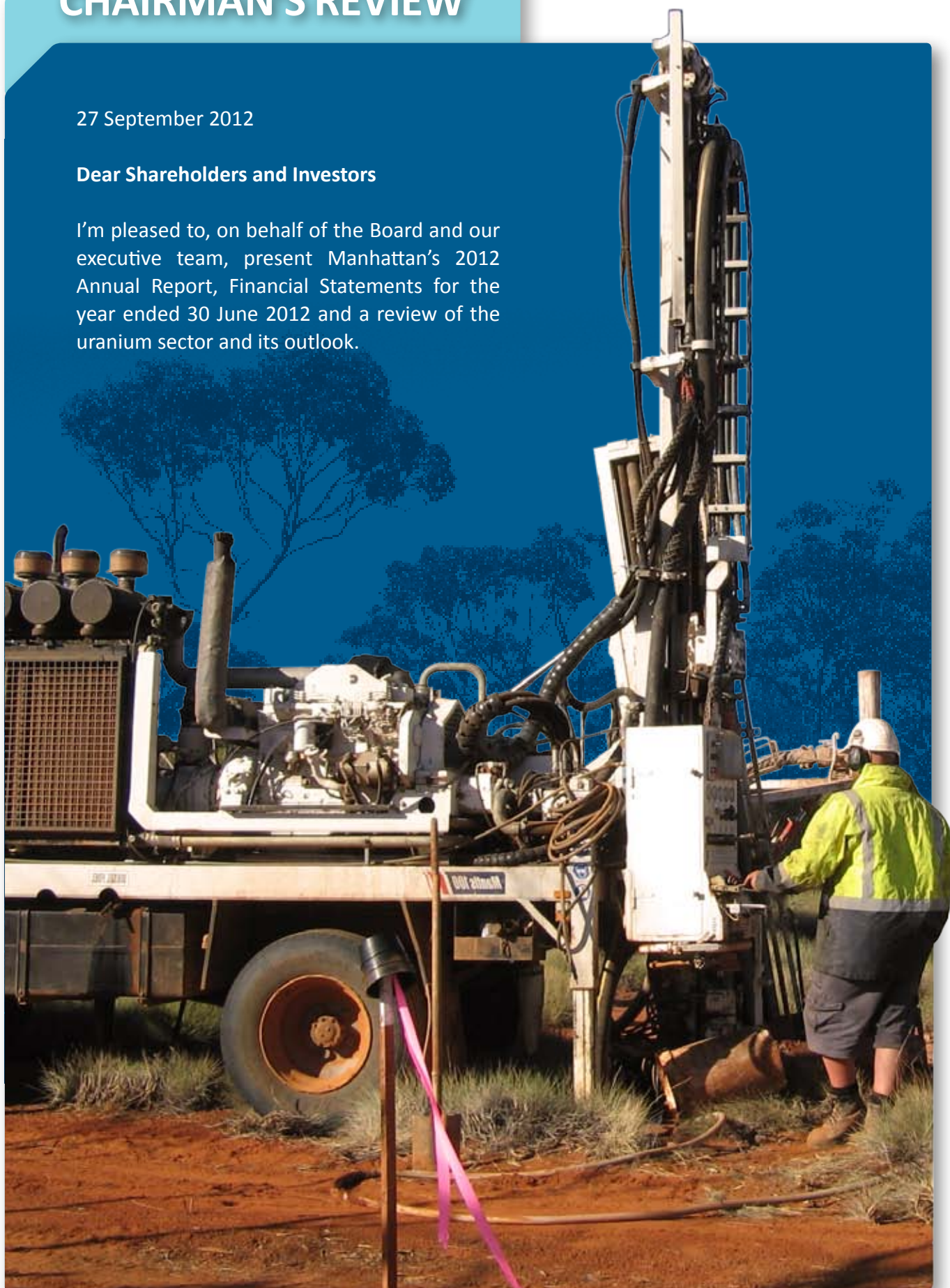
"Globally, apart from in Japan, all the major nuclear powered states have recently reaffirmed their commitment to maintain and expand their nuclear capacity"

CHAIRMAN'S REVIEW

27 September 2012

Dear Shareholders and Investors

I'm pleased to, on behalf of the Board and our executive team, present Manhattan's 2012 Annual Report, Financial Statements for the year ended 30 June 2012 and a review of the uranium sector and its outlook.



The year in review

Over the past year, post Fukushima, the uranium sector has struggled to regain the pre GFC or 2010 optimism and confidence with nervous investors and end users adopting a "wait and see" attitude. Yellowcake spot prices have remained depressed, for most of the year, at around US\$50lb.

Combined with weak, volatile and declining world equity markets most uranium shares, including Manhattan's, have lost considerable value during the year. Trading is thin in the junior end of the markets with share prices fragile as the European debt crisis unfolds and nervous investors stay out of equities.

The capital markets, by mid 2012, are effectively closed for junior mining companies leaving few options open for capital raising to fund the Company's forward development plans at Ponton.

Positive outlook to return with solid fundamentals in the uranium sector

Uranium market observers believe the worst is over and the outlook for the global uranium industry is brighter, based on the sound fundamentals of the sector, with uranium having a very positive future in the medium to longer term.

In August 2012 BHP Billiton announced the sale for US\$430 million the sale of its WA Yeelirrie uranium deposit to Canada's Cameco for US\$430 million or around US\$3.50lb in the ground. Cameco is the world's largest uranium producer and Tim Gitzel, Cameco's CEO, commented "*Yeelirrie represents an attractive deposit that fits well with Cameco's vision and corporate strategy*".

This transaction reaffirms that the emerging uranium industry in WA has a future, WA as a good place to invest in the sector, the big players are still acquiring quality assets at reasonable prices and there is a sound future for the industry.

Respected resource analyst Gavin Wendt commented in his August 2012 minelife bulletin "*Nevertheless, [despite the impact of Fukushima] the point remains that there is a tremendous opportunity presenting itself for companies that want to strengthen their position in the uranium business. Accordingly, I remain confident with respect to the medium to longer term nuclear energy picture and anticipate that uranium prices and uranium equities should begin to recover during 2013.*"

Nuclear fleet continues to expand world wide

Globally, apart from in Japan where 48 reactors remain offline and are yet to be restarted, there are no signs of a slowdown in the nuclear industry or uranium primary fuel consumption with the medium to long term outlook for the uranium industry and nuclear power positive. All the major nuclear powered states have recently reaffirmed their commitment to maintain and expand their nuclear capacity.

In addition to the 433 operating plants in 30 countries there are 65 new reactors under construction with another 160 at the advanced planning or approval stage. As well there are 240 research and medical isotope reactors and 140 nuclear powered submarines, aircraft carriers and icebreakers operating worldwide.

Uranium supply crunch hits industry from 2013

These reactors are consuming over 200Mlb of uranium oxide a year. Primary mine supply worldwide is around 120Mlb with the shortfall in supply being met by inventories (now at very low levels), recycling of mixed oxide material (MOX) and dilution of weapons grade material.

Uranium demand is predicted to be 320Mlbs a year in 10 years with a fuel supply shortfall looming of 85Mlbs by 2014 and, now, as much as 200Mlbs a year by 2022. The supply gap will have to be made up with new mines over the coming years.

Secondary HEU supply to cease in 2013

A major source of secondary supply, the Russian HEU commercial agreement, is coming to an end in 2013. This weapons grade material, when diluted down to reactor grade fuel for nuclear power plants, is equivalent to removing 35 to 40Mlb a year from the supply equation.

New uranium supply is challenged

Primary mine production will remain flat for the foreseeable future with current uranium prices simply too low to justify the financing risk of building new hard rock mines or expanding existing ones. A number of high profile development projects including the massive Olympic Dam expansion and the Kintyre projects in Australia have recently been deferred or delayed. These two projects were expected to put hundreds of millions of pounds of uranium supply into the markets in the coming decade.

Olympic Dam expansion deferred indefinitely and Kintyre delays

BHP Billiton announcing it has deferred indefinitely the expansion of its Olympic Dam uranium copper gold mine in South Australia removes 42Mlbs from near to medium term primary production supply.

Cameco's announcement that further work and additional uranium resources are required at the current uranium price to support the investment decision on development of its Kintyre uranium project in WA (jointly owned with Mitsubishi of Japan) also removes medium term production from the supply curve.

Manhattan has 100% control of the world class ISL Ponton uranium in WA

In 2011 Manhattan reported a 17.2Mlb uranium oxide inferred resource with additional exploration targets defined of 33 to 67Mlb of shallow sand hosted uranium mineralisation at Ponton.

The world class Ponton uranium project is favourably located in an emerging uranium producing state, the project economics are compelling, off the shelf tried, proven, low cost in situ leach technology required and has an experienced management team with access to capital to take the project forward.

The potential size of Manhattan's low cost ISL uranium project sets Manhattan's Ponton project apart from its competitors

Double 8 deposit inferred resource ranks as number 20 in Australia and 7th largest reported resource in Western Australia with identified exploration targets lifting the resource potential at Ponton to one of Australia's top 10 projects with further potential to expand on this resource base during the drill out. The shallow sand hosted Ponton deposit is also likely to be in the lower quartile of the production cost curve and, even at today's uranium spot price, is an attractive development proposition with robust economics.

Tetra Tech's desktop scoping study confirms Ponton project's low operating costs and modest capital requirements

Tetra Tech's 2011 desktop scoping study of Manhattan's shallow permeable palaeochannel sand hosted uranium resources and targets at Ponton is positive and confirms the project has potential to be a viable, sustainable ISL uranium producer with low operating costs and modest capital requirements to develop.

Exploration access and resource upgrades priority at Ponton

Manhattan needs to secure drill access to expand and upgrade its reported sand hosted uranium resources and define new deposits at Ponton. Also, application of revised disequilibrium conversion factors to reported, and future, resource estimates will likely lead to upgraded uranium oxide inventories for the project.

Exploration and development access to Ponton

To expand and upgrade its reported sand hosted uranium resources, and define new deposits at Ponton, Manhattan needs to complete resource definition drilling along the palaeochannels within the Queen Victoria Spring Nature Reserve ("QVSNR"). A staged proposal has now been developed and put forward to the West Australian government seeking the approvals it requires for drill access to the northwest corner of the QVSNR, located approximately 200km northeast of Kalgoorlie. The proposal is now under consideration by the WA government.

Whilst delays have been encountered with gaining access these approvals are required to drill out and undertake feasibility studies to develop the project.

Ponton resource estimates upside

Manhattan has completed 105 disequilibrium analyses on drill samples to establish conversion factors for down hole gamma probe data to grade eU_3O_8 for drilling at Ponton. The preliminary disequilibrium data for Stallion and Highway prospects ranges from negative at very low grades (>80ppm) to strongly positive, of 1 to over 3, at higher grades. If confirmed these conversion factors are likely to facilitate an upward revision of the uranium oxide reported for inferred resources and exploration targets at Ponton.

To confirm these conversions, at a higher confidence level, a further 100 drill samples are now being tested for secular disequilibrium at Ansto in NSW. The additional Ansto data is anticipated to be delivered by late 2012. On receipt conversion factors will be confirmed by the Company's independent resource consultants and revised resource estimates modelled.

Manhattan well positioned to benefit from market dynamics and pressures on supply

As market sentiment returns to the uranium sector, the imminent supply gap of nuclear fuel unfolds and the uranium price recovers as the rapidly expanding reactor fleet seeks sustainable supplies of primary fuel Manhattan's large, competitive resource base will be under international pressure to be developed.

The Company, with an expanding resource base with favourable economics amenable to low environmental impact production technology, is well positioned to take advantage of a tremendous opportunity presenting itself to deliver substantial returns to investors.

ALAN J EGGERS

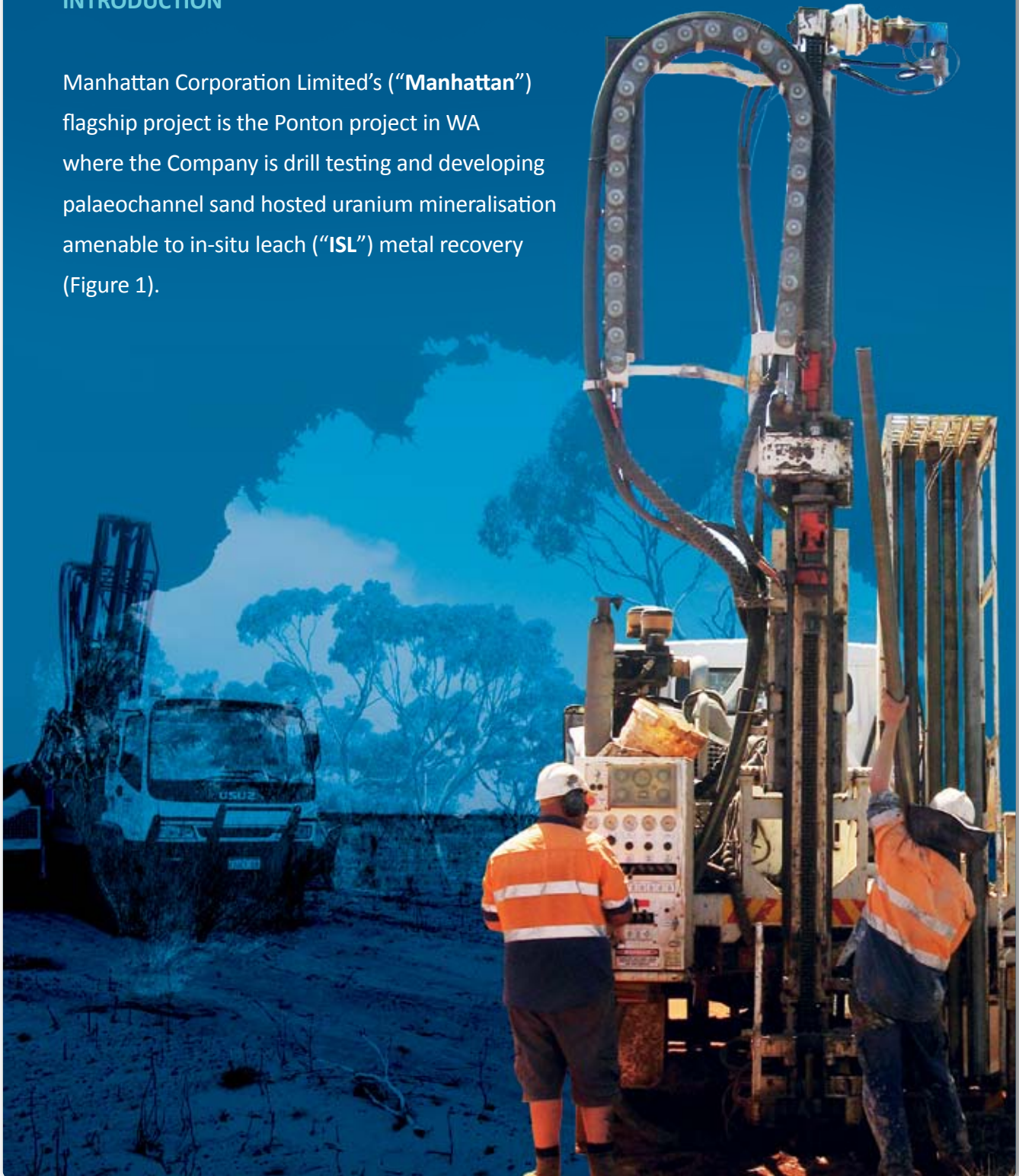
Executive Chairman

27 September 2012

REVIEW OF OPERATIONS

INTRODUCTION

Manhattan Corporation Limited's ("**Manhattan**") 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 (Figure 1).



REVIEW OF OPERATIONS

FIGURE 1: MANHATTAN'S AUSTRALIAN URANIUM PROJECTS



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

In 2011 Manhattan reported a JORC Inferred Resource estimate for the Double 8 uranium deposit at Ponton of 17.2 million pounds ("Mlb") uranium oxide (" U_3O_8 ") at a 200ppm cutoff. In addition, Exploration Results reported by Manhattan in 2011 identified further Mineralisation Potential totalling 33 to 67Mlb U_3O_8 for Double 8, Stallion South, Highway South and Ponton prospects at the 200ppm U_3O_8 cutoff.

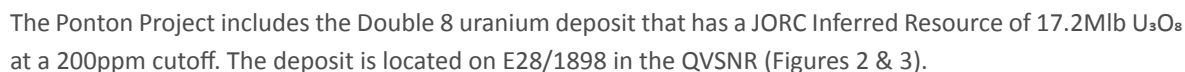
Manhattan's priority is now to gain exploration access approval to its granted key Exploration Licence, E28/1898 located mostly within the Queen Victoria Spring Nature Reserve ("QVSNR"), or have the licence excised from the Reserve. On gaining exploration access to E28/1898 Manhattan will recommence drill testing and evaluation of the Double 8 uranium deposit and the Exploration Targets identified at Double 8, Stallion South, Highway South and Ponton prospects that will underpin the future development of the project.

Manhattan also retains a 40% interest in the Gardner Range uranium, rare earth and gold project in WA (Figure 1) where Northern Minerals Limited are operators and earning up to an 80% interest by sole funding and completing a mining prefeasibility study.

Manhattan's strategy for growth is to expand and upgrade its reported sand hosted uranium resources and define new uranium deposits at its flagship Ponton uranium project in Western Australia. The Company also continues to review M&A proposals and advanced uranium project acquisition opportunities to grow the Company and generate additional shareholder value.

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

FIGURE 2: MANHATTAN'S PONTON TENEMENTS



In addition, Exploration Results reported by Manhattan in March 2011 identified Mineralisation Potential totalling 33 to 67Mlb U₃O₈ at the 200ppm U₃O₈ cutoff in four prospects at:

- 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

Stallion, Highway and Shelf prospects have been systematically drilled to a detail that would support resource estimations. The resource potential for these three prospects will be assessed when further

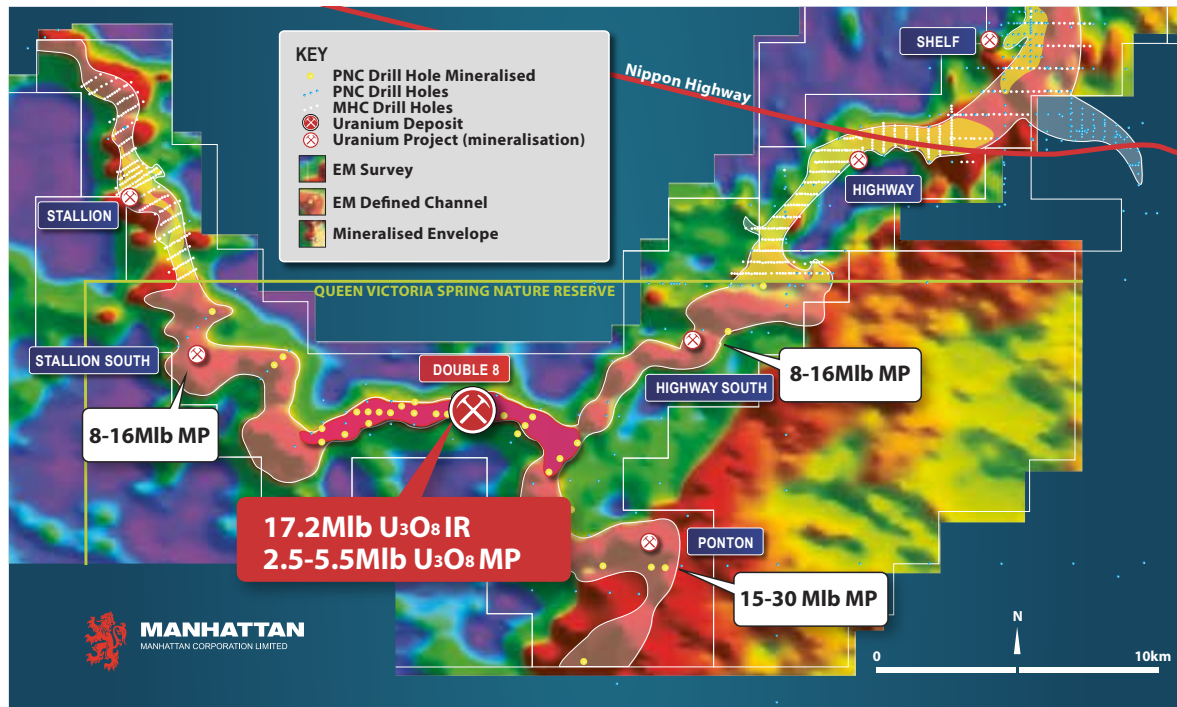
secular disequilibrium data are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised by the Company's independent resource consultants. 105 sonic drill core disequilibrium determinations from the Stallion and Highway deposits show a positive disequilibrium factor of 1 to over 3 above 100ppm U_3O_8 . This 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 and the Exploration Targets at Double 8, Stallion South, Highway South and Ponton.

A further 100 drill samples from Stallion and Highway deposits have been despatched to Ansto Minerals in Sydney for DNA uranium assay and 28 day sealed can uranium activity analysis to confirm the positive disequilibrium factor for a range of grades above 100ppm U_3O_8 at Ponton.

Carbonaceous sand hosted uranium mineralisation, below 40 to 70 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 (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 are potentially amenable to ISL metal recovery, the lowest cost method of producing yellowcake with the least environmental impact.

These palaeochannels connect with Energy and Minerals Australia's lignite hosted Mulga Rock uranium deposits with a reported inferred resource estimate of 27,100 tonnes (60Mlb) U_3O_8 (Figures 1 & 2).

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



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

Manhattan's four Exploration Licences that encroach on, or are within, the QVSNR (EL's 28/1898, 1979, 1983 & 2004) were granted in July and August 2011. Manhattan is now seeking exploration access approval to the key licence E28/1898 located mostly within the QVSNR. On gaining exploration access to E28/1898 Manhattan will recommence drill testing and evaluation of the Double 8 uranium deposit and the Exploration Targets identified at Double 8, Stallion South, Highway South and Ponton prospects that will underpin the future development of the project.

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 in accordance with the JORC Code (2004).

Double 8 Reported 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 MINERALISATION POTENTIAL

Exploration Results reported in 2011 have identified further uranium Mineralisation Potential at Double 8.

At a 200ppm U_3O_8 cutoff reported Mineralisation Potential at Double 8 includes 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 Reported Mineralisation Potential

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

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

The 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).

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 MINERALISATION POTENTIAL

Exploration Results reported in 2011 identified 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 Reported Mineralisation Potential

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

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

On Manhattan gaining exploration access to E28/1898 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 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 MINERALISATION POTENTIAL

Exploration Results reported in 2011 identified 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 Reported Mineralisation Potential

HIGHWAY SOUTH MINERALISATION POTENTIAL				
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 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 Manhattan gaining exploration access to E28/1898 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 also 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 MINERALISATION POTENTIAL

Exploration Results reported in 2011 identified Mineralisation Potential at a 200ppm U_3O_8 cutoff for Ponton 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 Reported Mineralisation Potential

PONTON MINERALISATION POTENTIAL				
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	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 Manhattan gaining exploration access to E28/1898 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.

The Stallion prospect has been systematically drilled along 8 kilometres of the palaeochannel (Figure 3). The resource potential for the Stallion prospect will be assessed by the Company's independent resource consultants when the secular disequilibrium data, resource modelling and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised. 105 sonic core disequilibrium factor determinations from the Stallion and Highway deposits show a positive disequilibrium factor of 1 to over 3 above 100ppm U_3O_8 . This 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.

A further 42 drill samples from Stallion have been despatched for DNA uranium assay and 28 day sealed can uranium activity analysis to confirm the positive disequilibrium factor for a range of grades above 100ppm U_3O_8 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 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.

The Highway prospect has also been systematically drilled along 10 kilometres of the palaeochannel (Figure 3). The resource potential for the Highway prospect will be assessed when the secular disequilibrium data, resource models and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised by the Company's independent resource consultants. As at Stallion and Shelf preliminary disequilibrium information on sonic drill core samples 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.

A further 58 drill samples from Highway have been despatched for DNA uranium assay and 28 day sealed can uranium activity analysis to confirm the positive disequilibrium factor for a range of grades above 100ppm U_3O_8 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 the Shelf drilling by PNC and Uranerz was closer spaced (on 200m x 100m centres) which identified shallower lignite hosted uranium mineralisation within the upper sandstone and claystone.

In 2010 Manhattan drilled on lines approximately 800m and 1.2km apart along 20km of the palaeochannel to the north of Highway and 8 duplicate aircore holes into the lignite mineralisation at the Shelf prospect.

The resource potential for the Shelf prospect will be assessed when the 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 by the Company's independent resource consultants. Again, 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

Manhattan has undertaken 3,210m of reconnaissance aircore drilling across the palaeochannel at East Arm located 16km east of Highway on E39/1144. To date, no significant uranium mineralisation has been encountered in drill holes at East Arm.

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 a 40% interest in three granted exploration licences covering 550km² bordering the Northern Territory. Northern Minerals Limited ("**Northern**") retains a 60% interest and are operators of the joint venture.

The targets are high grade unconformity related uranium mineralisation similar to the Athabasca Basin deposits and the Ranger uranium mine in NT, rare earth elements ("**REE**") and gold mineralisation similar to the world class Tanami Arunta province Callie, Granites and Tanami gold mines. Exploration results include rock chip samples assaying up to 16.8ppm gold at Venus, drilling at the Don uranium prospect intersecting 0.44m of 1.5% U₃O₈ and 2m of 1.74ppm gold at a depth of 40m and soil sampling, in late 2011, near the Don and Venus prospects returned positive gold results that included anomalous gold up to 228ppbAu.

During the first half of 2012 Northern has continued interpretation work on the gold targets at Gardner Range previously defined by the rock chip sampling, drilling and soil geochemical anomalies. Northern now plans a RAB or RC drilling program in the last half of 2012 to test the gold geochemical anomalies identified in the Don and Venus prospect areas.

Manhattan retains a 40% interest in the Gardner Range uranium project where Northern can earn up to an 80% interest by sole funding and completing a mining prefeasibility study.

SUMMARY

In 2011 Manhattan reported a revised Inferred Resource for Double 8 of 17.2Mlb of uranium oxide with additional Exploration Targets defined at Double 8 and Stallion South, Highway South and Ponton prospects in the order of 33 to 67Mlbs of Mineralisation Potential.

Positive disequilibrium factors of 1 to over 3 above 100ppm U₃O₈ from Stallion and Highway sonic core samples are likely to facilitate an upward revision of the reported Inferred Resources and Exploration Targets at Ponton. A further 100 samples have been despatched for DNA uranium analysis and disequilibrium determinations, for a range of grades, to confirm the positive disequilibrium factors at Ponton.

The sand hosted uranium mineralisation is located in shallow, 40 to 70 metres deep, contiguous palaeochannels within Manhattan's project area at Ponton.

The shallow near surface sand hosted resource and drilled targets within the palaeochannels confirms the deposits potential for a world class ISL uranium development project at Ponton.

Manhattan's four Exploration Licences that encroach on, or are within, the QVSNR were granted in July and August 2011. The Company's priority is now to gain exploration access approval to the key licence, E28/1898 located mostly within the QVSNR, or have the licence excised from the Reserve. On gaining exploration access to E28/1898 Manhattan will recommence drill testing and evaluation of the Ponton uranium deposits and prospects that will underpin the future development of the Ponton ISL project.

Tetra Tech's 2011 desktop study confirmed Manhattan's Ponton uranium project, with an Inferred Resource of 17Mlb and Mineralisation Potential assessed of 33Mlb to 67Mlb, has the potential to be developed into a low cost sustainable ISL uranium producer. On gaining the necessary government approvals and licences the project can be drilled out and mine development studies undertaken, that if positive, will deliver significant returns for the Company's investors.

Manhattan continues to work with the Western Australian government to have exploration access granted to its key granted tenement, E28/1898, in the northwest corner of the QVSNR where Manhattan has reported JORC Inferred Resource of 17.2Mlbs uranium oxide and Exploration Targets totalling 33 to 67Mlb U₃O₈ at the 200ppm U₃O₈ cutoff in four prospects. On gaining exploration access the Company will recommence drilling to expand and upgrade its reported sand hosted uranium resources and to define new uranium deposits at Ponton.

The Company also continues to review a number of M&A proposals and advanced uranium project acquisition opportunities to grow the Company and generate additional shareholder value.

ALAN J EGGERS

Executive Chairman

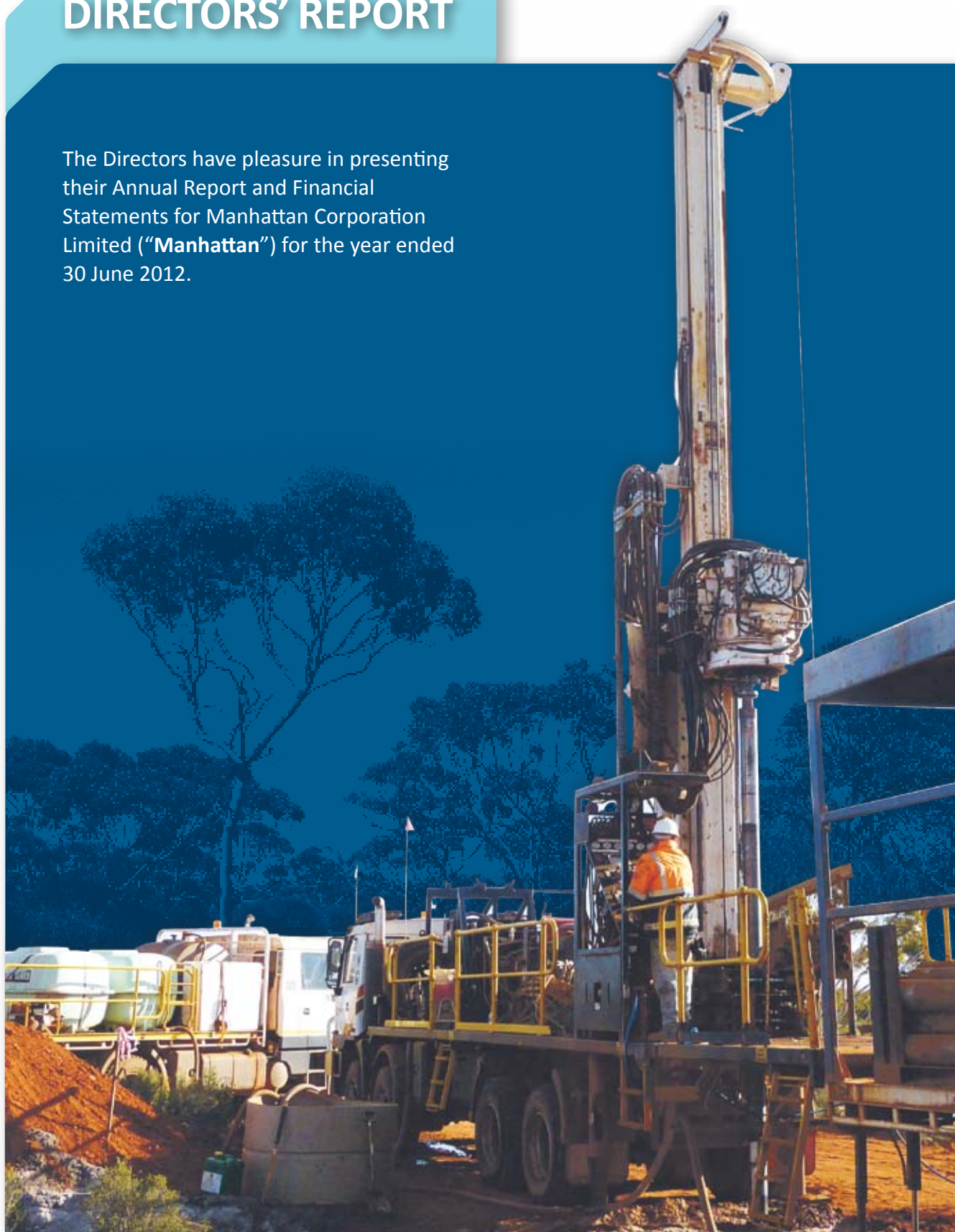
27 September 2012

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.

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report and Financial Statements for Manhattan Corporation Limited ("**Manhattan**") for the year ended 30 June 2012.



PRINCIPAL ACTIVITIES

The principal continuing activity of Manhattan during the year was mineral exploration and development and evaluation of mineral projects and corporate opportunities in the resource sector worldwide.

There has been no significant change in the nature of Manhattan's business activities during the year under review.

OPERATING RESULTS

The loss of the Company for the year, after provision for income tax, amounted to \$1,215,970 (2011: \$1,092,138)

DIVIDENDS

No dividend has been paid or recommended by the Directors since the commencement of the year.

REVIEW OF OPERATIONS

Manhattan listed on the Australian Securities Exchange ("ASX") on 29 January 2008 following an Initial Public Offering that raised \$4.5 million. The Company had acquired interests in one uranium exploration project in South Australia and three uranium exploration projects in Western Australia.

In July 2009 the Company completed the merger with private equity fund Manhattan Resources Pty Ltd following shareholder approval by the issue of 44,201,640 new shares and a number of new Director, employee and consultant options, and cancellation of a number of previously issued Director options. Following the merger the current Board of Directors was appointed. As at 30 June 2012 Manhattan had 93,330,398 ordinary shares, and 5,050,000 60 cent, 4,050,000 \$1.00, 100,000 \$1.80 and 100,000 \$2.20 unlisted employee incentive options on issue.

In the last Financial Year to 30 June 2012 the Company has focussed on exploration and development of its two Western Australian uranium projects. The Company completed further disequilibrium test work on drill samples from Ponton, resource modelling, airborne EM and magnetic surveys over the southern portion of the Ponton project area and commissioned international consultants, Tetra Tech, to complete a desk top scoping study on the development of an in situ leach uranium project at Ponton. At Gardner Range, Northern Minerals limited, operators of the joint venture, continued to define drill targets to test a number of uranium and gold targets with drilling planned for last half of 2012.

The Ponton Project includes the Double 8 uranium deposit that has a JORC Inferred Resource of 17.2Mlb uranium oxide ("U₃O₈"). In addition, Exploration results reported at Ponton in 2011 identified Mineralisation potential totalling 33 to 67Mlb U₃O₈ in four drilled prospects.

Manhattan will continue to advance its exploration and development projects and examine merger and acquisition opportunities in the resource sector, with particular focus on advanced uranium projects, with the potential to deliver an early cash flow or a substantial uplift in shareholder value.

A full review of operations for the Financial Year, together with future prospects that form part of this Report, are presented in the Chairman's Review and the Review of Operations on pages 2 to 16 of this Annual Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the Financial Year under review.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not arisen since the end of the Financial Year any item, transaction or event of a material nature, in the opinion of the Directors of the Company, to affect significantly the operation of the Company, the results of those operations, or the state of affairs of the Company in future Financial Years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There is no likely or expected change to the operations of the Company to systematically explore the Company's key projects, in particular the Ponton projects. The Company will continue to review all business development opportunities that present themselves in an effort to enhance the exploration and development portfolio. This activity may or may not lead to future acquisitions, divestments, joint ventures and other changes to the Company's project portfolio.

ENVIRONMENTAL OBLIGATIONS

The Company operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Company's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment. There have been no known breaches by the Company during the Financial Year.

In 2011 Manhattan adopted an Environmental Policy, that included an Environmental Management Plan for Queen Victoria Spring Nature Reserve, and included the Environmental Policy in its Corporate Governance Statement.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Manhattan support and have adhered to the ASX principles of corporate governance (as appropriate for a company of Manhattan's size). Manhattan's Corporate Governance Statement is contained in this Annual Report and posted on its web site.

DIRECTORS AND COMPANY SECRETARY

The following persons held office as Directors and Company Secretary of Manhattan during the year. All Directors, and the Company Secretary, were in office for the entire period unless otherwise stated:

Alan J Eggers

Marcello Cardaci

John A G Seton

Robert (Sam) Middlemas

PROFILE OF DIRECTORS AND COMPANY SECRETARY

Alan J Eggers B.Sc, B.Sc(Hons), M.Sc, F.S.E.G., MAusIMM, MAIG
EXECUTIVE CHAIRMAN

Alan Eggers is a professional geologist with over 35 years of international experience in exploration for uranium, base metals, precious metals and industrial minerals. He was the founding director and managing director for 20 years of listed uranium company Summit Resources Limited. He built Summit into an ASX top 200 company with a market capital of \$1.2 billion until its takeover by Paladin Energy Ltd in May 2007 when he resigned from the board. His professional experience has included management of mineral exploration initiatives and corporate administration of private and public companies. Alan is managing director of Wesmin Consulting Pty Ltd, formerly a director of ASX listed Zedex Minerals Limited (resigned January 2010), was a founding director of the Australian Uranium Association and holds a number of directorships in private companies.

Marcello Cardaci B.Juris, LLB, B.Com
NON EXECUTIVE DIRECTOR

Marcello Cardaci is a partner in the Australian legal practice of Gilbert + Tobin. Mr Cardaci holds degrees in law and commerce and is experienced in a wide range of corporate and commercial matters with a particular emphasis on public and private equity raisings and mergers and acquisitions. Gilbert + Tobin specialises in the provision of legal advice to companies involved in various industries including resources and manufacturing. Mr Cardaci is a non executive director of Forge Group Limited (4 June 2007 to current) and Lemur Resources Ltd (8 November 2010 to current). He was formerly a director of Sphere Minerals Limited (2 June 1999 to 17 November 2010) and Tianshan Goldfields Limited (2 February 2009 to 13 November 2010).

John A G Seton LLM(Hons)
NON EXECUTIVE DIRECTOR

John Seton is an Auckland based lawyer with extensive experience in commercial law, stock exchange listed companies and the mineral resource sector. He is chief executive officer of TSX and ASX listed Olympus Pacific Minerals Inc, a former director of Olympus (July 1999 to February 2012), former director and chairman of ASX listed Summit Resources Limited (until May 2007), Zedex Minerals Limited (resigned January 2010) and NZX listed SmartPay Limited (resigned January 2011). John holds, or has held, directorships in several companies listed on ASX and NZX including Kiwi Gold NL, Kiwi International Resources NL, Iddison Group Vietnam Limited and Max Resources NL. John was also the former chief executive of IT Capital Limited, former Chairman of the Vietnam/New Zealand Business Council and former chairman of The Mud House Wine Group Limited (resigned 10 September 2010), an unlisted public company. Mr Seton also holds a number of private company directorships.

Robert (Sam) Middlemas B.Com, PGradDipBus., CA
COMPANY SECRETARY

Sam Middlemas was appointed Company Secretary and Chief Financial Officer in March 2009. Sam is a chartered accountant with more than 15 years' experience in various financial and company secretarial roles with a number of listed public companies operating in the resources sector. He is the principal of a corporate advisory company which provides financial and secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance.

REMUNERATION REPORT

The remuneration report for the Financial Year ended 30 June 2012 is set out under the following main headings:

- (A) Principles Used to Determine the Nature and Amount of Remuneration;**
- (B) Details of Remuneration;**
- (C) Service Agreements;**
- (D) Share Based Compensation;**
- (E) Additional Information; and**
- (F) Loans to Directors and Executives.**

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

(A) Principles Used to Determine the Nature and Amount of Remuneration

The primary functions of the Remuneration Committee are to:

- Make specific recommendations to the Board on remuneration of Director's and senior officers;
- Recommend the terms and conditions of employment for the Executive Chairman;
- Undertake a review of the Executive Chairman's performance, at least annually, including setting with the Executive Chairman's goals for the coming year and reviewing progress in achieving those goals;
- Consider and report to the Board on the recommendations of the Executive Chairman on the remuneration of all direct reports; and
- Develop and facilitate a process for Board and Director evaluation.

The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its regular Board meetings.

Non Executive Directors

Fees and payments to Non Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non Executive Directors' fees and payments are reviewed annually by the Board. The Executive Chairman's fees are determined independently to the fees of Non Executive Directors based on comparative roles in the external market. The Executive Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' Fees

The current base remuneration was reviewed in July 2010 in light of current conditions and the cash reserves of the Company. Non Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum Directors fees approved by shareholders and payable currently stands at \$200,000 per annum.

The following fees have applied during the Financial Year:

Base Fees	2012	2011
Non Executive Directors	\$35,000	\$35,000

Additional Fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement Allowances for Directors

Superannuation contributions required under the Australian superannuation guarantee legislation (currently 9%) are made in addition to Directors' overall fee entitlements.

Executive Pay

The Executive pay and reward framework has two components:

- Base pay and benefits, including superannuation; and
- Long term incentives through the issue of share options.

The combination of these comprises the Executive's total remuneration. The Company revisits its long term equity linked performance incentives for Executives as deemed necessary by the Board. The equity linked performance incentives take the form of share options to provide incentives for the Directors and senior management to drive shareholder value through growth in share price.

Base Pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non financial benefits at the Executives' discretion. Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for Executives is reviewed annually to ensure the Executive's pay is competitive with the market. An Executive's pay is also reviewed every 12 months and will be adjusted in line with the Executive's performance and current market conditions.

Benefits

Executives and Key Management Personnel are entitled to receive additional benefits or allowances.

Long Term Incentives

The Executives are entitled to share options as approved by shareholders.

(B) Details of Remuneration

Amounts of Remuneration

Details of the remuneration of the Directors, the Key Management Personnel (as defined in AASB 124 Related Party Disclosures) and Executives of Manhattan Corporation Limited for the Financial Year are set out in the following tables.

The Key Management Personnel are the Directors of Manhattan Corporation Limited during the Financial Year which were:

Alan J Eggers **Executive Chairman**
Marcello Cardaci **Non Executive Director**
John A G Seton **Non Executive Director**

In addition, the following persons must be disclosed under the *Corporations Act 2001* as Company executives:

Robert (Sam) Middlemas **Company Secretary.**

Directors and Executives Remuneration

EXECUTIVE REMUNERATION	SHORT TERM BENEFITS		POST EMPLOYMENT	EQUITY COMPENSATION	TOTAL	PERCENTAGE OPTIONS
	Cash Salary & Fees	Cash Bonus	Super Annuation & Pensions	Options		
30 June 2012						
Directors	\$	\$	\$	\$	\$	%
Alan J Eggers ¹	349,992	-	-	17,692	367,684	5
Marcello Cardaci	35,000	-	-	3,932	38,932	10
John A G Seton ²	35,000	-	-	3,932	38,932	10
Key Management Personnel						
Sam Middlemas ⁴	35,200	-	-	3,932	39,132	10
Total Compensation	455,192	-	-	29,488	484,680	-
30 June 2011						
Directors	\$	\$	\$	\$	\$	%
Alan J Eggers ¹	341,665	-	-	401,866	743,531	54
Marcello Cardaci	35,000	-	3,150	89,304	127,454	70
John A G Seton ²	35,000	-	-	89,304	124,304	72
Robert Wrixon ³	13,232	-	1,191	186,469	200,892	93
Key Management Personnel						
Sam Middlemas ⁴	35,450	-	-	89,304	124,754	72
Total Compensation	460,347	-	4,341	856,247	1,320,935	-

¹ Alan Eggers was appointed Executive Chairman on 21 July 2009. All fees were paid under a Consultancy Agreement with Wesmin Consulting Pty Ltd.

² John Seton was appointed as a Non Executive Director on 21 July 2009. All fees paid to his private Company Jura Trust Limited.

³ Robert Wrixon resigned as an Executive Director on 31 July 2010.

⁴ Sam Middlemas was appointed Company Secretary on 3 March 2009. All fees were paid under a Consultancy Agreement with Sparkling Investments Pty Ltd.

There were no other executive officers who received emoluments during the Financial Year ended 30 June 2012.

(C) Service Agreements

On appointment to the Board, all Non Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for Executive Directors and Key Management Personnel are formalised in service agreements. Each of these agreements provide for the provision of performance related conditions and other benefits including an allocation of options. Other major provisions of the agreements relating to remuneration are set out below.

Alan J Eggers Executive Chairman

- Services provided by consulting company Wesmin Consulting Pty Ltd (“Wesmin”);
- Term of agreement. Continues indefinitely until cancelled by the Company or the Executive;
- Base Consulting fees of \$350,000 per annum (increased from \$300,000 on 1 September 2010) plus reimbursement of relevant expenses and costs;
- Agreement and fees reviewed annually by the Board of Directors;
- 2,250,000 options to acquire ordinary shares in the capital of the Company (60 cents, expire 21 July 2014);
- 2,250,000 options to acquire ordinary shares in the capital of the Company (\$1.00, expire 21 July 2014); and
- Termination of employment by the Company requires 12 month notice without cause and immediately for cause related events

(D) Share Based Compensation**Options**

Options over shares in Manhattan are granted to Directors, consultants and employees as consideration and are approved by a general meeting of shareholders. The Options are designed to provide long term incentives for Executives and non Executives to deliver long term shareholder returns. Participants are granted options which are granted for no issue price and the exercise prices will be such price as determined by the Board (in its discretion) on or before the date of issue. Options are granted for no consideration.

The terms and conditions of each grant of options (up to 30 June 2012) affecting remuneration in the previous, this, or future reporting periods are as follows:

GRANT DATE	DATE VESTED AND EXERCISABLE	EXPIRY DATE	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	PERCENT VESTED
21 July 2009	21 July 2010	21 July 2014	\$0.60	\$0.35	100
21 July 2009	21 July 2011	21 July 2014	\$1.00	\$0.32	100

Options granted carry no dividend or voting rights.

There were no options over ordinary shares in the Company provided as remuneration to Directors of Manhattan or the Key Management Personnel of the Company during the current or previous financial year. All options issued prior to this time were fully vested during the year. When exercisable, each option is convertible into one ordinary share of Manhattan. There were no new shares issued on exercise of employee incentive options by a Company Director or officer during the Financial Year ended 30 June 2012 (2011: Nil).

Further information on the options is set out in Note 24 to the Financial Statements.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black and Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

There were no new options issued during the year (2011: Nil), and no new shares issued on exercise of employee incentive options (2011: Nil) by a Company Director or officer during the Financial Year ended 30 June 2012.

(E) Additional Information

Details of Remuneration: Options

Options are issued to Directors and Executive as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of Directors and Executives of Manhattan Corporation Limited to increase goal congruence between Executives, Directors and shareholders.

DIRECTORS OF MANHATTAN	YEAR GRANTED	VESTED PERCENTAGE	FINANCIAL YEARS IN WHICH OPTIONS VESTED	NUMBER OF OPTIONS ISSUED	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST
					\$
Alan J Eggers	2009	100	2011, 2012	4,500,000	-
Marcello Cardaci	2009	100	2011, 2012	1,000,000	-
John A G Seton	2009	100	2011, 2012	1,000,000	-
Key Management Personnel					
Sam Middlemas	2009	100	2011, 2012	1,000,000	-

(F) Loans to Directors and Executives

There were no loans to Directors and Executives during the Financial Year.

This is the end of the Audited Remuneration Report.

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares or options issued by the Company as notified by the Directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report are as follows:

DIRECTORS	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES
Alan J Eggers	31,201,461	2,250,000 (\$0.60, 21 July 2014)
		2,250,000 (\$1.00, 21 July 2014)
Marcello Cardaci	2,815,726	500,000 (\$0.60, 21 July 2014)
		500,000 (\$1.00, 21 July 2014)
John A G Seton	26,658,721	500,000 (\$0.60, 21 July 2014)
		500,000 (\$1.00, 21 July 2014)

SHARES UNDER OPTION

Unissued ordinary shares of Manhattan under option at the date of this Report are as follows:

DATE OPTIONS GRANTED	EXPIRY DATE	ISSUE PRICE OF SHARES	NUMBER UNDER OPTION
21 July 2009	21 July 2014	\$0.60	5,050,000
21 July 2009	21 July 2014	\$1.00	4,050,000
12 March 2010	12 March 2015	\$1.80	100,000
12 March 2010	12 March 2015	\$2.20	100,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were 2,250,000 options exercised during the Financial Year (2011: 849,379).

DIRECTORS' MEETINGS

The number of Directors' board meetings and the number of board meetings attended by each of the Directors of the Company for the time the Director held office during the Financial Year were:

DIRECTORS	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Alan J Eggers	5	5
Marcello Cardaci	5	5
John A G Seton	5	5

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON AUDIT SERVICES

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Company is important. The Board has considered the position and is satisfied that the provision of non audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*, and would not compromise the Auditor's independence.

During the Financial Year the following fees were paid or payable for services provided by the Auditor of the Company, its related practices and non related audit firms:

AUDIT SERVICES	2012	2011
Rothsay Chartered Accountants	\$	\$
Audit and Review of Financial Statements	13,500	24,000
Tax Work under the <i>Corporations Act 2001</i>	6,000	10,000
Total Remuneration for Audit Services	19,500	34,000

DIRECTORS' AND OFFICERS INSURANCE

During the Financial Year, Manhattan paid a premium to insure the Directors and the Company Secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by

the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 31 of the Annual Report.

Rothsay Chartered Accountants are appointed to office in accordance with section 327 of the *Corporations Act 2001*.

Signed in accordance with a Resolution of the Directors.

DATED at Perth on 27 September 2012

ALAN J EGGERS

Executive Chairman

"Uranium supply crunch hits industry from 2013"

"Nuclear reactors are consuming over 200Mlb of uranium oxide a year. Uranium demand is predicted to be 320Mlbs a year in 10 years with a fuel supply shortfall looming of 85Mlbs by 2014 and, now, as much as 200Mlbs a year by 2022

The supply gap will have to be made up with new mines over the coming years"

"Secondary HEU supply to cease in 2013"

"A major source of secondary supply, the Russian HEU commercial agreement, is coming to an end in 2013. This weapons grade material is equivalent to removing 35 to 40Mlb a year from the supply equation"

"New uranium supply is challenged"

"Primary mine production will remain flat for the foreseeable future with current uranium prices simply too low to justify the financing risk of building new hard rock mines or expanding existing ones"

"Olympic Dam expansion deferred indefinitely and Kintyre project delays removes medium term production from the supply curve"



Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MANHATTAN CORPORATION LIMITED

Report on the financial report

We have audited the accompanying financial report of Manhattan Corporation Limited (the Company") which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

**Audit opinion**

In our opinion the financial report of Manhattan Corporation Limited is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Manhattan Corporation Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Graham Swan
Partner

Dated **27** September 2012



Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

The Directors
Manhattan Corporation Limited
15 Rheola Street
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2012 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 27 September 2012



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Year Ended 30 June 2012

	Note	2012	2011
REVENUE		\$	\$
Revenue from Continuing Operations	5	855,052	3,740,187
EXPENSES			
Expenses Excluding Finance Costs	6	(2,730,805)	(6,106,608)
Finance Costs		(2,250)	(1,640)
Loss Before Income Tax		(1,878,003)	(2,368,061)
Income Tax Expense	8	662,033	1,275,923
Loss For The Year		(1,215,970)	(1,092,138)
Total Comprehensive Loss for the Year Attributable to Members of Manhattan Corporation Limited		(1,215,970)	(1,092,138)
Basic Earnings/(Loss) Per Share	7	(1.3) cents	(1.2) cents
Diluted Earnings/(Loss) Per Share	7	(1.3) cents	(1.2) cents

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes that form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2012			
	Note	2012	2011
ASSETS		\$	\$
Current Assets			
Cash and Cash Equivalents	10	677,534	695,667
Trade and Other Receivables	11	240,932	775,940
Financial Assets at Fair Value	12	523,000	1,874,000
Total Current Assets		1,441,466	3,345,607
Non Current Assets			
Property, Plant and Equipment	14	14,507	30,794
Exploration and Evaluation Expenditure	13	8,019,527	6,932,198
Total Non Current Assets		8,034,034	6,962,992
TOTAL ASSETS		9,475,500	10,308,599
LIABILITIES			
Current Liabilities			
Trade and Other Payables	15	64,631	180,819
Provisions	16	4,234	10,705
Total Current Liabilities		68,865	191,524
TOTAL LIABILITIES		68,865	191,524
NET ASSETS		9,406,635	10,117,075
EQUITY			
Contributed Capital	17	15,347,661	14,897,661
Reserves	18	4,654,693	4,599,163
Accumulated Losses		(10,595,719)	(9,379,749)
TOTAL EQUITY		9,406,635	10,117,075

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes that form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Year Ended 30 June 2012					
Consolidated	Note	Contributed Equity	Options Reserve	Accumulated Losses	Total
		\$	\$	\$	\$
Balance at 1 July 2010		14,727,786	3,392,475	(8,287,611)	9,832,650
Total Comprehensive Income		-	-	(1,092,138)	(1,092,138)
Transactions with Owners in Their Capacity as Owners					
Shares Issued During the Year		169,875	-	-	169,875
Directors, Employees and Consultants Options		-	1,206,688	-	1,206,688
Balance at 30 June 2011		14,897,661	4,599,163	(9,379,749)	10,117,075
Total Comprehensive Income		-	-	(1,215,970)	(1,215,970)
Transactions with Owners in their Capacity as Owners					
Shares Issued During the Year	17b	450,000	-	-	450,000
Directors, Employees and Consultants Options		-	55,530	-	55,530
Balance at 30 June 2012		15,347,661	4,654,693	(10,595,719)	9,406,635

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes that form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2012

	Note	2012	2011
Cash Flows From Operating Activities		\$	\$
Payments to Suppliers and Employees (inclusive of GST)		(1,413,669)	(1,035,088)
Interest Received		31,053	21,869
Net Cash Flows From/(Used In) Operating Activities	23	(1,382,616)	(1,013,219)
Cash Flows From Investing Activities			
Payments for Property, Plant and Equipment		-	(8,715)
Receipts from Sale of Property, Plant and Equipment		-	709
Proceeds from R&D Refunds		1,202,943	-
Sale of Trading Securities		823,999	3,718,318
Payments For Exploration and Evaluation		(1,112,459)	(3,551,638)
Net Cash Flows Used In Investing Activities		914,483	158,674
Cash Flows From Financing Activities			
Proceeds From Issue of Shares		450,000	169,875
Cost of Shares Issued		-	-
Net Cash Flows From/(Used In) Financing Activities		450,000	169,875
Net (Decrease)/Increase In Cash and Cash Equivalents		(18,133)	(684,670)
Cash and Cash Equivalents at Beginning of Period		695,667	1,380,337
Cash Acquired from Manhattan Resources Merger		-	-
Cash and Cash Equivalents at End of Period	10	677,534	695,667

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes that form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The financial report of Manhattan Corporation Limited also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Historical Cost Convention

These Financial Statements have been prepared under the historical cost convention.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 2.

Going Concern

The Company incurred a loss for the year of \$1,215,970 (2011: \$1,092,138) and a net cash outflow from operating activities of \$1,382,616 (2011: \$1,013,219).

At 30 June 2012 the Group had cash assets of \$677,534 (2011: \$695,667) and working capital of \$1,372,600 (2011: \$3,154,083).

Included in the working capital the Group holds trading securities in ASX listed companies with a value of \$523,000 at 30 June 2012. These securities will be sold to fund the Group's activities as required. Based on this fact, the Directors consider it appropriate that the finance report be prepared on a going concern basis.

(b) Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company's wholly owned subsidiary Manhattan Resources Pty Ltd as at 30 June 2012 and the results of the subsidiary for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Investments in subsidiaries are accounted for at cost in the Statement of Financial Position of the Company.

(c) Segment Reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income

based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the year ending 30 June and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Impairment of Assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company of assets (cash generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Acquisition of Assets

Assets including exploration interests acquired are initially recorded at their cost of acquisition on the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the end of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value.

(h) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Consolidated Statement of Financial Position.

(i) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of Financial Year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(l) Investments and Other Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loan and receivables, or available for sale investments, as appropriate. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

Financial Assets at Fair Value Through Profit or Loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset at fair value through profit or loss if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the year ending 30 June.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the year ending 30 June which are classified as non current assets. Loans and receivables are included in receivables in the year ending 30 June.

Available for Sale Financial Assets

Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within twelve months of the year ending 30 June.

Purchases and sales of investments are recognised on trade date being the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available for sale financial assets and financial assets designated through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available for sale are recognised in equity in the net unrealised gains reserve. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments previously reported in equity are included in the income statement as gains and losses on disposal of investment securities.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is transferred from equity to the income statement. Impairment losses recognised in the income statement on equity instruments classified as held for sale are not reversed through the income statement.

(m) Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Plant and equipment are depreciated on a reducing balance or straight line basis at rates based upon their effective lives up to five years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year ending 30 June.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the year ending 30 June.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(o) Employee Benefit Provisions

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the year ending 30 June are recognised in respect of employees' services rendered up to the year ending 30 June and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries, and annual leave are included as part of Other Payables.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the year ending 30 June using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the year ending 30 June with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share Based Payments

The Group provides benefits to employees (including Directors) in the form of share based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity settled transactions").

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined by an independent valuator using a Black and Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Manhattan ("Market Conditions").

(p) Earnings Per Share***Basic Earnings Per Share***

Basic earnings per share is calculated by dividing profit/(loss) attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the Financial Year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted Earnings Per Share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversions of all dilutive potential ordinary shares.

(q) New Accounting Standards and UIG Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period.

The Group has assessed the impact of these new standards and interpretations not to be material to the Group's Financial Statements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Key Estimates: Impairment of Exploration and Exploration Expenditure

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined by Value in use calculations performed in assessing recoverable amounts and incorporate a number of key estimates. The Group has made an impairment charge for the year which has been recognised in the Income Statement.

Share Based Payment Transactions

The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black and Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at the grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

3. SEGMENT INFORMATION

The Group operates in one industry, mineral resource exploration and assessment of mineral projects and in one main geographical segment, being Australia.

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments, however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, aging analysis for credit risk and at present are not exposed to price risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Market Risk

(i) Foreign Exchange Risk

The Group does not currently operate internationally and therefore its exposure to foreign exchange risk arising from currency exposures is limited.

(ii) Price Risk

The Group holds a number of available for sale equity investments. These material investments are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors. The Group is not exposed to commodity price risk as the Group is still carrying out exploration.

(iii) Cash Flow and Fair Value Interest Rate Risk

The Group's only interest rate risk arises from cash and cash equivalents and borrowings. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

(b) Credit Risk

Credit risk is managed by the Board for the Group. Credit risk arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions. All cash balances held at banks are held at internationally recognised institutions, with minimum independently rated rates of 'A'. The majority of receivables are immaterial to the Group. Given this the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates.

The maximum exposure to credit risk is the carrying amount of the financial assets of cash and trade and other receivables to the value of \$918,466 (2011: \$1,471,607).

The following financial assets of the Group are neither past due or impaired:

FINANCIAL ASSETS	2012	2011
	\$	\$
Cash and Cash Equivalents	677,534	695,667
Trade and Other Receivables	240,932	775,940
Total	918,466	1,471,607

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business of \$64,631 (2011: \$180,819). These were non interest bearing and were due within the normal 30 to 60 days terms of creditor payments. The Group had no borrowings during the year and have therefore not undertaken any further analysis of risk exposure.

(d) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on current quoted market prices at reporting date. The quoted market price used for financial assets held by the Group is the current market price.

The carrying value less any required impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

5. REVENUES

REVENUES	2012	2011
Other Revenue from Continuing Operations	\$	\$
Interest	31,053	21,869
Revenue from Sale of Investments	823,999	3,718,318
Total	855,052	3,740,187

6. EXPENSES

(a) Expenses, Excluding Finance Costs, Included in the Income Statement

EXPENSES	2012	2011
	\$	\$
Cost of Investments	1,351,000	3,265,641
Legal Fees	2,838	5,160
Depreciation	16,287	14,198
ASX and Share Registry Fees	40,061	50,124
Consultant Fees	35,200	35,450
Rent	341,115	355,118
Employee Benefits	346,236	299,801
Exploration Impairment	31,289	436,922
R&D Consultants Fees	209,151	-
Share Based Payments	55,530	1,206,688
General and Administration Costs	302,098	437,506
Total Expenses, Excluding Finance Costs	2,730,805	6,106,608

(b) Finance Costs

FINANCE COSTS	2012	2011
	\$	\$
Total Finance Costs, Bank Fees and Charges	2,250	1,640

7. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share ("EPS") amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (loss) per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operations basic and diluted earnings (loss) per share computations:

EARNINGS (LOSS) PER SHARE	2012	2011
	\$	\$
Basic Loss Per Share	(0.013)	(0.012)
Loss Used in Calculating EPS	(1,215,970)	(1,092,938)
Weighted Average Number of Ordinary Shares	Number	Number
Outstanding During the Year Used in Calculating Basic EPS	92,206,081	90,298,504

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2012

Diluted EPS is not disclosed as potential ordinary shares are not dilutive as their potential conversion to fully paid shares would not increase the loss per share.

(a) Capital Allotment Subsequent To Year End

The Company has not undertaken any capital raising(s) post 30 June 2012.

8. INCOME TAX EXPENSE**(a) Income Tax Expense**

INCOME TAX EXPENSE	2012	2011
	\$	\$
Current Tax	(190,340)	(731,250)
Deferred Tax	-	-
Under (Over) Provided in Previous Years	(471,693)	(544,673)
Total Income Tax Expense	(662,033)	(1,275,923)

(b) Deferred Income Tax Expense Comprises

DEFERRED INCOME TAX EXPENSE	2012	2011
	\$	\$
(Decrease)/Increase in Deferred Tax Asset	-	-
(Decrease)/Increase in Deferred Tax Liability	-	(544,673)
Total Deferred Income Tax Expense	-	(544,673)

No deferred tax has been recognised in either the Income Statement or directly in equity.

(c) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

RECONCILIATION OF INCOME TAX	2012	2011
	\$	\$
Loss From Continuing Operations Before Income Tax	(1,878,004)	(2,368,061)
Tax at the Australian rate of 30%	(563,401)	(710,418)
Tax Effect of Permanent Differences:		
Exploration Expenses	(316,812)	(679,517)
Share Based Payments Expense	16,659	362,006
Unrealised Losses	158,100	-
Realised Capital Gains	76,133	119,119
R&D Expenses Claimed as an Offset	152,272	585,000
Other Deductions	(32,398)	(35,054)
Benefits of Tax Losses Not Brought to Account	514,089	357,243
Temporary Differences	(4,642)	1,621
R&D Tax Offset	(190,340)	(731,250)
Total Tax Payable	(190,340)	(731,250)

(d) Tax Losses and Other Timing Differences for Which No Deferred Tax Asset has been Recognised

TAX LOSSES RECOGNISED	2012	2011
	\$	\$
Unused Tax Losses with no Deferred Tax Asset Recognised	3,139,257	2,997,709
Accrued Superannuation/Provision for Annual Leave	5,770	11,491
Total Tax Losses	3,145,027	3,009,200

The Group has tax losses arising in Australia of \$10,464,190 (\$3,139,257 at 30% tax rate) (2011: \$2,997,709) of which no deferred tax asset has been recognised that are available indefinitely for offset against future taxable profits of the Group.

9. DIVIDENDS PAID OR PROPOSED

There were no dividends paid or proposed during the year.

10. CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	2012	2011
	\$	\$
Cash at Bank and In Hand	13,370	110,141
Deposits at Call	664,164	585,526
Total Cash and Cash Equivalents	677,534	695,667

Cash at bank and in hand earns interest at floating interest rates based on the daily bank rates.

(a) Interest Rate Exposure

The Group's exposure to interest rate risk is discussed in Note 4.

(b) Reconciliation to Cash at the End of the Year

The above figures represent the cash at the end of the Financial Year as shown in the Statement of Cash Flows.

11. TRADE AND OTHER RECEIVABLES (CURRENT)

TRADE AND OTHER RECEIVABLES	2012	2011
	\$	\$
GST Receivable	45,904	40,605
Tax Receivable	190,340	731,250
Other Debtors	4,688	4,085
Total Trade and Other Receivables	240,932	775,940

(a) Fair Values and Credit Risk

Due to the short term nature of these receivables the carrying values represent their respective fair values at 30 June 2012.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 4 for more information on the risk management policy of the Group and the credit quality of the entity's receivables.

(b) Other Receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CURRENT)

TRADING SECURITIES	2012	2011
	\$	\$
Investments Held for Trading	523,000	1,874,000

All investments held in ASX listed companies using market values at year end.

13. EXPLORATION AND EVALUATION EXPENDITURE (NON CURRENT)

Recoverability of the carrying amount of exploration assets is dependent upon successful exploration and development or sale of mineral deposits of the respective areas of interest. Carrying values were assessed in light of exploration and current market conditions, and an impairment provision has been raised based on this review.

EXPLORATION AND EVALUATION EXPENDITURE	2012	2011
	\$	\$
As at 1 July	6,932,198	4,230,220
Capitalised During the Year	1,118,618	3,138,900
Impairment of Exploration Expenditure	(31,289)	(436,922)
As at 30 June	8,019,527	6,932,198

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2012

14. PROPERTY, PLANT AND EQUIPMENT (NON CURRENT)

PROPERTY, PLANT AND EQUIPMENT	2012	2011
Computer Equipment and Software	\$	\$
Cost or Fair Value	48,909	48,909
Accumulated Depreciation	(34,402)	(18,115)
Net Book Amount	14,507	30,794
Opening Net Book Amount	30,794	36,986
Additions	-	8,715
Disposals	-	(709)
Depreciation Charge for the Year	(16,287)	(14,198)
Closing Net Book Amount	14,507	30,794

15. TRADE AND OTHER PAYABLES (CURRENT)

TRADE AND OTHER PAYABLES	2012	2011
	\$	\$
Trade Payables	41,883	128,777
Other Creditors	22,748	52,042
Total Trade and Other Payables	64,631	180,819

Trade payables and other creditors are non interest bearing and will be settled on 30 to 60 day terms.

16. PROVISIONS (CURRENT)

PROVISIONS	2012	2011
Current	\$	\$
Provisions for Annual Leave	4,234	10,705
Total Provisions	4,234	10,705

17. ISSUED CAPITAL**(a) Ordinary Shares**

ISSUED CAPITAL	2012	2011	2012	2011
Ordinary Shares	Shares	Shares	\$	\$
Issued and Fully paid	93,330,389	91,080,398	15,347,661	14,897,661
Total Contributed Equity	93,330,389	91,080,398	15,347,661	14,897,661

(b) Share Movements During the Year

SHARE MOVEMENTS	2012		2011	
	Number of Shares	\$	Number of Shares	\$
1 July	91,080,398	14,897,661	90,231,019	14,727,786
<i>New Shares Issued During Year</i>				
Conversion of Vendor Options	2,250,000	450,000	849,379	169,875
30 June	93,332,410	15,347,661	91,080,398	14,897,661

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. There is no authorised or par value share as prescribed in the Group's constitution.

(d) Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2012

CAPITAL RISK MANAGEMENT	NOTE	2012	2011
		\$	\$
Total Borrowings		-	-
Less Cash and Cash Equivalents	10	677,534	695,667
Net Cash		677,534	695,667
Total Equity		9,216,295	10,117,075
Total Capital		9,893,829	10,812,742

18. RESERVES

SHARE BASED PAYMENT RESERVE	2012	2011
	\$	\$
Balance at Beginning of Year	4,599,163	3,392,475
Share Based Payments	55,530	1,206,688
Total Share Based Payment Reserve	4,654,693	4,599,163

Nature and Purpose of Reserves

The share based payment reserve is used to recognise the fair value of options issued to Directors, consultants and employees.

19. KEY MANAGEMENT PERSONNEL DISCLOSURES**(a) Directors**

The following persons were Directors of Manhattan during the Financial Year:

Name	Position
Alan J Eggers	Executive Chairman
Marcello Cardaci	Non Executive Director
John A G Seton	Non Executive Director

(b) Key Management Personnel

The following persons were Key Management Personnel of Manhattan during the Financial Year:

Name	Position
Sam Middlemas	Company Secretary



(c) Key Management Personnel Compensation

KEY MANAGEMENT PERSONNEL COMPENSATION	2012	2011
	\$	\$
Short Term Employee Benefits	455,192	460,347
Post Employment Benefits	-	4,341
Share Based Payments	29,488	856,247
Total Compensation	484,680	1,320,935

(d) Remuneration of Directors and Key Management Personnel**(i) Remuneration of Directors and Key Management Personnel**

Options provided as remuneration and shares issued on the exercise of such options, together with the terms and conditions of the options, can be found in Section D of the Remuneration Report.

(ii) Option Holdings

The number of options over ordinary shares in the Company held during the Financial Year by each Director of Manhattan and Key Management Personnel, including their personally related parties, are set out below:

OPTION HOLDINGS	BALANCE AT START OF YEAR	GRANTED AS COMPENSATION	EXERCISED	OTHER CHANGES	BALANCE AT END OF YEAR	VESTED AND EXERCISABLE	UNVESTED
2012							
Directors							
Alan Eggers	4,500,000	-	-	-	4,500,000	4,500,000	-
Marcello Cardaci ¹	1,000,000	-	-	-	1,000,000	1,000,000	-
John Seton	1,000,000	-	-	-	1,000,000	1,000,000	-
Key Management Personnel							
Sam Middlemas	1,000,000	-	-	-	1,000,000	1,000,000	-
Total	7,500,000	-	-		7,500,000	7,500,000	-
2011							
Directors							
Alan Eggers	4,500,000	-	-	-	4,500,000	2,250,000	2,250,000
Marcello Cardaci ¹	1,000,000	-	-	-	1,000,000	500,000	500,000
John Seton	1,000,000	-	-	-	1,000,000	500,000	500,000
Robert Wrixon ²	2,000,000	-	-	(2,000,000)	-	-	-
Key Management Personnel							
Sam Middlemas	1,000,000	-	-	-	1,000,000	500,000	500,000
Total	9,500,000	-	-	(2,000,000)	7,500,000	3,750,000	3,750,000

¹ The options are held by Mr Marcello Cardaci as trustee for the MD Cardaci Family Trust.

² Robert Wrixon resigned on 31 July 2010 as a Director. All vested options were retained and all unvested options lapsed on his resignation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2012

(iii) Share Holdings

The numbers of shares in the Company held during the Financial Year by each Director of Manhattan Limited and Key Management Personnel of the Company, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

DIRECTORS AND OFFICERS SHARE HOLDINGS	BALANCE AT START OF YEAR	SHARE PURCHASES	OTHER CHANGES	BALANCE AT END OF YEAR
2012				
Directors				
Alan Eggers	29,201,461	2,000,000	-	31,201,461
Marcello Cardaci	2,815,726	-	-	2,815,726
John Seton	3,407,260	-	-	3,407,260
Key Management Personnel				
Sam Middlemas	610,726	-	-	610,726
Total	36,035,173	2,000,000	-	38,035,173
2011				
Directors				
Alan Eggers	27,182,617	-	2,018,844	29,201,461
Marcello Cardaci	2,815,726	-	-	2,815,726
John Seton	3,407,260	-	-	3,407,260
Robert Wrixon ¹	1,120,000	-	(1,120,000)	-
Key Management Personnel				
Sam Middlemas	585,726	-	25,000	610,726
Total	35,111,329	-	923,844	36,035,173

¹ Robert Wrixon resigned on 31 July 2010 and his holding reduced to nil at date of resignation.

(e) Loans to Key Management Personnel

There were no loans made or outstanding to Directors of Manhattan and Key Management Personnel of the Company, including their personally related parties.

(f) Other Transactions with Key Management Personnel**(i) Alan J Eggers**

Alan Eggers is a director of Wesmin Consulting Pty Ltd ("**Wesmin**"). Wesmin has provided his services as Executive Chairman, personnel, office premises and administration staff to a value of \$964,894 (2011: \$917,398) to Manhattan during the year on normal commercial terms.

(ii) Marcello Cardaci

Marcello Cardaci is a partner in the firm of Gilbert + Tobin Lawyers that have provided legal services of \$40,824 (2011: \$21,371) to Manhattan during the year on normal commercial terms.

(iii) Sam Middlemas

Sam Middlemas is a director of Sparkling Investments Pty Ltd ("**Sparkling Investments**"). Sparkling Investments has provided company secretarial services of \$35,200 (2011: \$35,450) to Manhattan during the year on normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2012

20. NON CASH INVESTING AND FINANCING ACTIVITIES

There were no non cash investing or financing activities during the year ended 30 June 2012.

21. SUBSEQUENT EVENTS AFTER END OF FINANCIAL YEAR

Since the end of the Financial Year no matters have arisen that have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs in financial years subsequent to 30 June 2012

22. AUDITOR'S REMUNERATION

AUDIT SERVICES	2012	2011
Rothsay Chartered Accountants	\$	\$
Audit and Review of Financial Statements	13,500	24,000
Tax Work under the <i>Corporations Act 2001</i>	6,000	10,000
Total Remuneration for Audit Services	19,500	34,000

23. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES	2012	2011
	\$	\$
(Loss) after Income Tax for the Period	(1,215,970)	(1,092,138)
Adjustments for:		
Depreciation Expense	16,286	14,198
Exploration Provisions	31,289	436,922
(Profit)/Loss on Trading Securities	527,001	(452,677)
Share Based Payments Expense	55,530	1,206,688
Taxation movements	(662,033)	(544,673)
(Increase)/Decrease in Trade and Other Receivables	182	(729,246)
(Increase)/Decrease in Prepayments	(784)	87
(Increase)/Decrease in Trade and Other Payables	(134,117)	147,620
Cash Flow from/(Used In) Operations	(1,382,616)	(1,013,219)

24. SHARE BASED PAYMENTS**(a) Options**

The following share based payment arrangements to Directors and employees existed at 30 June 2012.

All options granted to Director's and employees are for ordinary shares in Manhattan Corporation Limited, which confer a right of one ordinary share for every option held.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2012

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF YEAR	VESTED & EXERCISABLE AT END OF YEAR
2012						
21 July 2009	21 July 2014	\$0.60	5,550,000	(500,000)	5,050,000	5,050,000
21 July 2009	21 July 2014	\$1.00	4,550,000	(500,000)	4,050,000	4,050,000
12 March 2010	12 March 2015	\$1.80	100,000	-	100,000	100,000
12 March 2010	12 March 2015	\$2.20	100,000	-	100,000	100,000
Total Options			10,300,000	(1,000,000)	9,300,000	9,300,000
2011						
21 July 2009	21 July 2014	\$0.60	5,550,000	-	5,550,000	5,550,000
21 July 2009	21 July 2014	\$1.00	5,550,000	(1,000,000)	4,550,000	-
12 March 2010	12 March 2015	\$1.80	250,000	(150,000)	100,000	100,000
12 March 2010	12 March 2015	\$2.20	250,000	(150,000)	100,000	-
Total Options			11,600,000	(1,300,000)	10,300,000	5,650,000

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.07 years

(b) Expenses Arising From Share Based Payment Transactions

EXPENSE FROM SHARE BASED PAYMENT TRANSACTIONS	NOTE	2012	2011
		\$	\$
Options Issued During the Year	18	55,530	1,206,588
Total Expense		55,530	1,206,588

25. PARENT ENTITY INFORMATION

PARENT ENTITY INFORMATION	2012	2011
	\$	\$
Current Assets	440,622	198,596
Total Assets	15,871,500	14,602,923
Current Liabilities	1,277,065	191,524
Total Liabilities	6,977,800	5,086,024
Net Assets	8,893,700	9,516,899
Issued Capital	15,347,661	14,897,661
Share Based Payments Reserve	4,654,693	4,599,163
Accumulated Losses	(11,108,654)	(9,979,925)
Total Equity	8,893,700	9,516,899
Loss of the Parent Entity	(1,128,729)	(2,599,013)
Total Comprehensive Loss of the Parent Entity	(1,128,729)	(2,599,013)

In 2009 Manhattan acquired a 100% interest in Manhattan Resources Pty Ltd and this subsidiary has been consolidated since the acquisition on 21 July 2009.

26. COMMITMENTS**(a) Exploration Expenditure**

Committed expenditures in accordance with tenement lease grant conditions:

EXPLORATION EXPENDITURE COMMITMENT	2012	2011
	\$	\$
Annual Tenement Rental Obligations	100,194	92,518
Annual Exploration Expenditure Commitments	924,000	745,500
Total Exploration Expenditure Commitment	1,024,194	838,018

(b) Capital or Leasing Commitments

There are no capital or leasing commitments as at 30 June 2012.

27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are of the opinion that there are no contingent liabilities or contingent assets as at 30 June 2012.

28. INTERESTS IN JOINT VENTURES

Manhattan has the following Joint Venture Interests:

(a) Exploration Joint Venture Agreements

During the year, Manhattan maintained its 100% interest in the Ponton Project and 40% interest with Northern Minerals Limited (see below) in the Gardner Range Project.

(b) Gardner Range Farm In and Joint Venture Agreement

The Gardner Range tenements are currently subject to the Gardner Range Farm In and Joint Venture Agreement dated 15 October 2009 ("**Gardner Range JV**").

The joint venture is not a separate legal entity. It is a contractual arrangement between the participants under the signed JV agreement.

The Gardner Range Project in Western Australia comprises three exploration licences E80/3275, E80/3817 and E80/4081. During the year Northern Uranium Limited ("**Northern**") maintained its 60% interest in the Gardner Range Project by sole funding exploration activities.

On Northern acquiring its 60% Farm In interest Northern and Manhattan have entered into a joint venture with Manhattan holding a 40% interest. Manhattan has elected not to contribute to exploration expenditure and have its interest free carried to the completion of a Pre Feasibility Study to develop a mine and retain a 20% interest. On completion of the Pre Feasibility Study Manhattan has the option to contribute to expenditure in accordance with its then interest or be free carried to the completion of a Definitive Feasibility Study to develop a mine and retain a 10% interest.

The Joint Venture does not hold any assets and accordingly the Company's share of exploration, evaluation and development expenditure is accounted for in accordance with the policy set out in Note 1. There are no capital commitments or contingent liabilities associated with the Gardner Range Farm In and Joint Venture Agreement.

DIRECTORS' STATEMENT

DIRECTORS' DECLARATION:

In the opinion of the Directors of Manhattan Corporation Limited ("Manhattan"):

- (a) The Financial Statements comprising the Consolidated Statements of Comprehensive Income, Financial Position, Cash Flows, Statement of Changes in Equity and the Notes to Accompany the Financial Statements as set out on pages 32 to 56 are in accordance with the *Corporations Act 2001*, and:
 - (i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position of Manhattan as at 30 June 2012 and of its performance for the Financial Year ended on that date;
- (b) In the Directors' opinion, there are reasonable grounds to believe that Manhattan will be able to pay its debts as and when they become due and payable;
- (c) The remuneration disclosures included in the Directors' report (as part of the Audited Remuneration report), for the year ended 30 June 2012, comply with section 300A of the *Corporations Act 2001*; and
- (d) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive and Chief Financial Officers for the Financial Year ended 30 June 2012.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

ALAN J EGGERS

Executive Chairman
27 September 2012



CORPORATE GOVERNANCE STATEMENT

This Statement summarises the main corporate governance practices in place during the Financial Year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

Further information about the Company's corporate governance practices is set out on the Company's web site at www.manhattancorp.com.au. In accordance with the recommendations of the ASX, information published on the web site includes charters (for the Board and subcommittees), codes of conduct and other policies and procedures relating to the Board and its responsibilities.



1 BOARD OF DIRECTORS**1.1 Role of Board and Management****ASX Principle 1**

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

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

To assist the Board to carry out its functions, it has developed a Code of Conduct to guide the Directors and key executives in the performance of their roles. The Code of Conduct is detailed in Section 3.1 of this report.

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

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

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

The Board has sole responsibility for the following:

- Appointing and removing the Executive Chairman and any other Executive Director and approving their remuneration;
- Appointing and removing the Company Secretary/Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Company and measuring the performance of management against approved strategies;
- Reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;

1. BOARD OF DIRECTORS (continued)

- Adopting operating and exploration expenditure budgets at the commencement of each Financial Year and monitoring the progress by both financial and non financial key performance indicators;
- Monitoring the Company's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

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

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

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

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

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

1.2 Composition of the Board

ASX Principle 2

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are disclosed in the Directors' Report. Directors are appointed based on the specific governance skills required by the Company and on the independence of their decision making and judgement.

The Company's Board during the year comprised one Executive and two Non Executive Directors. The Executive Director was Mr Eggers, Executive Chairman. The Company recognises the importance of Non Executive Directors and the external perspective and advice that Non Executive Directors can offer.

1. BOARD OF DIRECTORS (continued)

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

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

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

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

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

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

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

There are procedures in place, agreed to by the Board, to enable Directors in furtherance of their duties to seek professional advice at the expense of the Company.

1. BOARD OF DIRECTORS (continued)

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

Name	Position	Appointed
Alan J Eggers	Executive Chairman	2009
Marcello Cardaci	Non Executive Director	2007
John A G Seton	Non Executive Director	2009

1.3 Responsibilities of the Board

ASX Principle 1

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

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

1.3.1 Leadership of the Company

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

1.3.2 Strategy Formulation

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

1.3.3 Overseeing Planning Activities

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

1.3.4 Shareholder Liaison

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

1.3.5 Monitoring Compliance and Risk Management

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

1.3.6 Company Finances

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

1.3.7 Human Resources

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

1. BOARD OF DIRECTORS (continued)

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

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

1.3.9 *Delegating Authority*

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

1.4 Board Policies

ASX Principle 3

1.4.1 *Conflicts of Interest*

Directors must:

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

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

1.4.2 *Commitments*

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

1.4.3 *Confidentiality*

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

1.4.4 *Independent Professional Advice*

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

1.4.5 *Related Party Transactions*

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

1.4.6 *Attestations by the Executive Chairman and Company Secretary*

In accordance with the Board's policy, the Executive Chairman and the Company Secretary/Chief Financial Officer made the attestations recommended by the ASX Corporate Governance Council,

1. BOARD OF DIRECTORS (continued)

and s295A of the Corporations Act 2001 as to the Company's financial condition prior to the Board signing this Annual Report.

2 TRADING IN THE COMPANY'S SHARES

The Company's Securities Trading Policy imposes basic trading restrictions on all employees and consultants of the Company with 'inside information', and additional trading restrictions on the Directors of the Company. The Company's Securities Trading Policy was adopted by the Board of the Company and last updated on 16 September 2011.

'Inside information' is information that:

- Is not generally available; and
- If it were generally available, it would, or would be likely to, influence investors in deciding whether to buy or sell the Company's securities.

If an employee possesses inside information, the person must not:

- Trade in the Company's securities;
- Advise others or procure others to trade in the Company's securities; or
- Pass on the inside information to others, including colleagues, family or friends knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (eg. even if the employee or Director overhears it or is told in a social setting).

In addition to the above, Directors must notify the Company Secretary as soon as practicable, but not later than 2 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the *Corporations Act 2001* and the *ASX Listing Rules*, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company.

Please refer to the Company's web site to review the Company's Share Trading Policy.

3 BOARD COMMITTEES

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

The Board has however established a framework for the management of the Company including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards. The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

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

3. BOARD COMMITTEES (continued)

3.1 Audit Committee

ASX Principle 4

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

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

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

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

The Board members consider themselves to be financially literate and have industry knowledge, and the Company Secretary is a qualified accountant and has the requisite financial expertise to assist the Audit Committee with financial matters.

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

3.2 Remuneration Committee

ASX Principle 8

The full Board carries out the role of the remuneration committee. While this is a departure from ASX Corporate Governance Council Recommendation 9.1, it provides a more efficient mechanism based on the size of the Board and the complexity of the Company. The Board follows the Remuneration Committee charter and there was one meeting during the year set aside to deal with remuneration issues.

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

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

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

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

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

3. BOARD COMMITTEES (continued)

3.3 Nomination Committee

ASX Principle 2

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

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

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

- Accounting and financial management;
- Legal skills; and
- For the Executive Chairman the appropriate business experience.

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

4 ETHICAL STANDARDS

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

4.1 Code of Conduct for Directors and Key Executives

ASX Principle 3

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

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

- Will act honestly, in good faith and in the best interests of the whole Company;
- Owe a fiduciary duty to the Company as a whole;
- Have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- Will act with a level of skill expected from Directors and key executives of a publicly listed company;
- Will use the powers of office for a proper purpose and in the best interests of the Company as a whole;
- Will demonstrate commercial reasonableness in decision making;
- Will not make improper use of information acquired as Directors and key executives;

4. ETHICAL STANDARDS (continued)

- Will not disclose non public information except where disclosure is authorised or legally mandated;
- Will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company;
- Will not take advantage of Company property or use such property for personal gain or to compete with the Company;
- Will protect and ensure the efficient use of the Company's assets for legitimate business purposes;
- Will not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- Have an obligation to be independent in judgment and actions and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- Will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- Will not engage in conduct likely to bring discredit upon the Company;
- Will encourage fair dealing by all employees with the Company's suppliers, competitors and other employees;
- Will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- Will give their specific expertise generously to the Company; and
- Have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

4.2 Code of Ethics and Conduct

ASX Principle 3

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

All Directors and employees are expected to:

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

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

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established the Code of Ethics and Conduct to guide compliance with legal and other obligations to

4. ETHICAL STANDARDS (continued)

legitimate stakeholders. These stakeholders include employees, government authorities, creditors and the community as whole. This Code includes the following:

4.2.1 Responsibilities to Shareholders and the Financial Community Generally

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

4.2.2 Employee Practices

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

4.2.3 Responsibilities to the Community

As part of the community the Company:

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

The Company supports the Indigenous Community:

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

4.2.4 Responsibilities to the Individual

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

4.2.5 Conflicts of interest

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

4.2.6 How the Company Monitors and Ensures Compliance with its Code

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

Disciplinary measures may be imposed for violating the Code.

4. ETHICAL STANDARDS (continued)

4.3 Diversity Policy

ASX Principle 3

The Company has implemented a Diversity Policy which is committed to an inclusive workplace that embraces and promotes diversity. Diversity may result from a range of factors including gender, age, ethnicity and cultural backgrounds.

All Directors and employees are expected to:

- Ensure diversity is incorporated into behaviours and practices of the Company;
- Facilitate equal employment opportunities based on job requirements; and
- Create an inclusive workplace culture.

The Board has not established measurable objectives for achieving gender diversity at this stage of the Company's development due to the size and nature of the Company's activities. The policy focusses on identifying and removing any barriers to diversity to create a workplace culture of inclusion and equal opportunities. The proportion of women employees in the whole organisation is 37.5%. Woman in senior executive positions is 33% and there are no women on the Board.

5 DISCLOSURE OF INFORMATION

5.1 Continuous Disclosure to ASX

ASX Principle 5

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

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

Information is not material and need not be disclosed if:

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

5.1.2 The information is confidential; or

5.1.3 One of the following applies:

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

5. DISCLOSURE OF INFORMATION (continued)

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

5.2 Communication with Shareholders

ASX Principle 6

The Company places considerable importance on effective communications with shareholders.

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

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

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

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

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

6 RISK MANAGEMENT

6.1 Identification of Risk

ASX Principle 7

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

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

6. RISK MANAGEMENT (continued)

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

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

- Sovereign risk, legislation and political issues;
- Government policies and changes to those policies;
- Financial and equity markets stability;
- Fluctuating commodity prices and demand;
- Fluctuating exchange rates;
- Compliance with licence and permit conditions;
- Land access, environmental and Native Title issues;
- Availability of specialist drilling, laboratory, exploration support and transport services;
- Availability of specialist airborne geophysical survey contractors and consultants;
- Availability of suitably experienced and qualified professionals, personnel and consultants;
- Increasing costs of operations;
- Availability of capital and debt facilities; and
- Retention of key executives and staff.

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

6.2 Integrity of Financial Reporting

ASX Principle 7

In accordance with section 295A of the *Corporations Act 2001* the Company's Executive Chairman and Chief Financial Officer report in writing to the Board that:

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

The Board notes that due to its nature, internal control assurance from the Executive Chairman and Chief Financial Officer can only be reasonable and not absolute. This is due to such factors as the need

6. RISK MANAGEMENT (continued)

to apply judgment, reasonable enquiry and practical and efficient internal control systems, inherent limitations to internal control and because much of the evidence available is persuasive and changing rather than conclusive and set and therefore is not and cannot be designed to detect all weaknesses in control procedures.

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

6.3 Audit and Role of Auditor

ASX Principle 6

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

7 PERFORMANCE REVIEW

ASX Principle 8

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

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

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

8 ENVIRONMENTAL POLICY

The Company's Board of Directors has formerly adopted an Environmental Policy that includes Environmental Management Plans for its proposed resource exploration and development activities, the adoption of the Australian Uranium Association Code of Practice and a comprehensive Radiation Management Plan for its proposed exploration and development activities. The full Environmental Policy including Management Plans and the Code of Practice are posted on the Company's web site at www.manhattancorp.com.au

8.1 Applicability

All Manhattan Corporation Limited ("Manhattan") Directors, officers, employees, consultants, contractors, business partners and suppliers are responsible for ensuring Manhattan's Environmental policy is adhered to.

8. ENVIRONMENTAL POLICY (continued)

8.2 Introduction

Manhattan has developed the Environmental Policy, that has been adopted by the Company's Board, as the Company believes excellence in environmental management performance and the adoption of best practice in implementing its Environmental Policy is essential to business success and compatible with delivering sustainable long term economic benefits to its shareholders along with balancing the economic, social, community and environmental needs of sustainable development. Manhattan also seeks to reduce the environmental footprint whilst generating wealth and delivering value to shareholders.

The aim of the Environmental Policy is to provide an overarching framework for Manhattan to achieve a sustainable high standard of environmental performance.

The Board will review this Environmental Policy regularly to ensure that it is current and that the requirements of the Environmental Policy at all times meet resource industry standards of excellence for environmental performance.

Manhattan is a Member of the Australian Uranium Association and has adopted its Code of Practice that includes:

1. Continuous Improvement to Best Practice in Management;
2. Safely Manage, Contain and Transport all Hazardous Materials, Tailings and Other Wastes;
3. Provide Adequately for Mine Closure and Rehabilitation;
4. Continuous Improvement in Best Practice in Radiation Control;
5. Adhere to all Applicable International, National, State and Local Authority Regulatory Obligations; and
6. Provide Information about Uranium and its properties to Stakeholders.

The Australian Uranium Association's Code of Practice is appended to this Policy and forms part of this Company's Environmental Policy.

Manhattan has further developed a specific Environmental Management Plan for its proposed resource exploration and development activities within the Queen Victoria Spring Nature Reserve at Ponton in Western Australia. This Environmental Management Plan is appended to this Policy and forms part of the Company's Environmental Policy.

These guidelines have been prepared by Manhattan Corporation Limited to provide information relating to planning and implementing exploration activities within A Class reserves in Western Australia to avoid, manage and mitigate impacts on conservation values, including Department of Environment and Conservation (DEC) managed land.

8.3 Environmental Objectives

Manhattan's environmental objectives are achieved by:

- (a) Complying with applicable environmental legislation as a minimum standard and applying industry standards;

8. ENVIRONMENTAL POLICY (continued)

- (b) Developing and implementing an Environmental Management System, including Environmental and Radiation Management Plans for all its operations;
- (c) Developing standards and building management systems to identify, assess and manage environmental risks within its operations;
- (d) Implementing and assigning Board and management accountability for Manhattan's environment standards, guidelines, procedures, reporting and performance;
- (e) Striving to achieve continuous improvement in environmental performance;
- (f) Ensuring all Manhattan's Directors, officers, employees, consultants, contractors, business partners and suppliers are fully aware of their environmental responsibilities;
- (g) Consulting with government, local communities, land owners, local authorities, native title claimants and holders, indigenous groups, interest groups and stakeholders in relation to Manhattan's operations, projects and proposed business and development activities;
- (h) Undertaking regular inspections, compliance reviews and audits on the Company's environmental performance and reporting; and
- (i) Reporting environmental performance and compliance openly and transparently.

8.4 Responsibilities

The Company's Board of Directors is responsible for the development, implementation, compliance and reporting of Manhattan's Environmental Policy and Environmental Management Plans and the Company's Chief Executive Officer and or Managing Director is accountable to the Board of Directors for ensuring the Policy and plans are effectively implemented and monitored through annual performance reviews.

"Ponton uranium project world class"

"The world class Ponton uranium project is favourably located in an emerging uranium producing state, the project economics are compelling, off the shelf tried, proven, low cost in situ leach technology required and has an experienced management team with access to capital to take the project forward"

ASX ADDITIONAL INFORMATION

Additional information required by ASX Limited Listing Rules not disclosed elsewhere in this 2012 Annual Report is set out below.

1. ANALYSIS OF SHAREHOLDINGS

As at 27 September 2012 Manhattan Corporation Limited has on issue 93,330,398 ordinary shares. All issued ordinary fully paid shares carry one vote per share. There are six hundred and ninety (690) holders of fully paid ordinary shares on Manhattan's share register as at 20 September 2012.

1.1 Top Twenty Shareholders

The names of shareholders in Manhattan's Top Twenty as at 27 September 2012 are as follows:

TOP 20 SHAREHOLDERS			
Rank	Holder	Number	Percentage
1	Minvest Securities (New Zealand) Limited	23,251,461	24.91
2	Nicholas P S Olisoff	7,986,962	8.56
3	Alan J Eggers & Associates	7,950,000	8.52
4	E S & J T Arron <Bikini A/C>	4,071,956	4.36
5	Thomas Allright	3,800,000	4.07
6	Claymore Trustees Limited	3,407,260	3.65
7	Marcello Cardaci <MD Cardaci Family A/C>	2,815,726	3.02
8	Forsyth Barr Custodians Ltd <Forsyth Barr Ltd-Nominee A/C>	2,567,697	2.75
9	HSBC Custody Nominees (Australia) Limited <A/C 3>	2,520,175	2.70
10	Residuum Nominees Pty Ltd	2,350,000	2.52
11	Custodial Services Limited <Beneficiaries Holding A/C>	2,252,686	2.41
12	Nefco Nominees Pty Ltd	1,550,000	1.66
13	UBS Wealth Management Australia Nominees Pty Ltd	1,502,542	1.61
14	HSBC Custody Nominees (Australia) Limited	1,420,275	1.52
15	Dr Robert Wrixon	1,000,000	1.07
16	Michael Ashforth	947,178	1.01
17	Investment Custodial Services Limited <990038572 A/C>	900,000	0.96
18	Susan J Campbell	836,939	0.90
19	Sue N Rowles <Roxy Unit A/C>	756,452	0.81
20	Sundowner International Limited	588,452	0.63
	TOTAL	72,475,761	77.66

1.2 Spread of Security Holders

As at 27 September 2012 Manhattan had 690 holders of ordinary shares with the spread of security holders as follows:

SPREAD OF SECURITY HOLDERS					
Size of Holding			Number of Holders	Shares Held	Percentage Held
1	-	1,000	63	39,039	0.04
1,001	-	5,000	185	576,107	0.62
5,001	-	10,000	128	1,090,007	1.17
10,001	-	100,000	244	7,906,951	8.47
100,001	-	Over	72	83,718,294	89.70
TOTAL			692	93,330,398	100.00

1.3 Minimum Holdings and Marketable Parcels

As at 27 September 2012 there were one hundred and forty four (144) holders holding less than a Marketable Parcel of ordinary shares as defined in Chapter 19 of the ASX Listing Rules. A marketable Parcel is a parcel of securities (ordinary shares) of not less than A\$500.00 based on the closing price on SEATS.

1.4 Unlisted Options

The unissued ordinary shares of Manhattan under option as at 27 September 2012 total 9,300,000 options. The options do not carry a right to vote at a general meeting of shareholders. Manhattan's unlisted option details are as follows:

UNLISTED OPTIONS				
Vesting Date	Exercise Price	Number of Options	Number of Holders	Expiry Date
20 July 2010	\$0.60	5,050,000	6	21 July 2014
20 July 2011	\$1.00	4,050,000	5	21 July 2014
12 March 2011	\$1.80	100,000	1	12 March 2015
12 March 2012	\$2.20	100,000	1	12 March 2015
TOTAL		9,300,000		

1.5 Restricted Securities Subject to Escrow Period

As at 27 September 2012 the Company had no ordinary shares or options with rights to acquire ordinary shares the subject of escrow.

1.6 Substantial Shareholders

The following are registered by the Company as at 27 September 2012 as substantial security holders in the Company, having declared the following relevant interests in voting securities in terms of section 671B of the *Corporations Act 2001*:

SUBSTANTIAL SHAREHOLDERS		
Substantial Security Holder	Number	Percentage
Alan J Eggers and Associates	31,201,461	33.43
Nicholas P S Olisoff	7,986,962	8.56
TOTAL	39,188,423	41.99

1.7 Share Registrar

Manhattan's share register is maintained in Perth at:

Computershare Investor Services Pty Ltd

Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Investor Enquiries: 1300 850 505 (within Australia)

International: +61 3 9415 4000

Facsimile: +61 8 9323 2033

Web Site: www.computershare.com.au

1.8 Voting Rights

On a show of hands every shareholder present in person or by a proxy shall have one vote and upon a poll each fully paid ordinary share shall have one vote.

1.9 Stock Exchange Listings

Manhattan's ordinary shares have been granted quotation on the Australian Stock Exchange Limited ("ASX"). ASX code MHC.

1.10 On Market Buyback

Currently, there is no on market buy back of the Company's securities.

2. TENEMENT SCHEDULE

As at 27 September 2012 Manhattan held interests in the following exploration tenements:

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 2013	18 sub blocks	
E39/1141	Ponton	MHC	100%	24 Aug 2006	23 Aug 2013	18 sub blocks	
E39/1142	Ponton	MHC	100%	24 Aug 2006	23 Aug 2013	35 sub blocks	
E39/1143	Ponton	MHC	100%	24 Aug 2006	23 Aug 2013	35 sub blocks	
E39/1144	Ponton	MHC	100%	24 Aug 2006	23 Aug 2013	35 sub blocks	
E28/1523	Ponton	MHC	100%	26 Nov 2008	25 Nov 2013	20 sub blocks	
E28/1898	Ponton	MHC	100%	11 Aug 2011	10 Aug 2016	64 sub blocks	
E28/1979	Ponton	MHC	100%	21 July 2010	20 July 2015	74 sub blocks	
E28/1983	Ponton	MHC	100%	17 Aug 2011	16 Aug 2016	48 sub blocks	
E28/2004	Ponton	MHC	100%	17 Aug 2011	16 Aug 2016	62 sub blocks	
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%	21 May 2012	20 May 2017	76 sub blocks	
E39/1542	Ponton	MHC	100%	05 Oct 2010	04 Oct 2015	59 sub blocks	
E39/1543	Ponton	MHC	100%	28 Apr 2011	27 Apr 2016	31 sub blocks	
E39/1544	Ponton	MHC	100%	28 Apr 2011	27 Apr 2016	11 sub blocks	
E39/1545	Ponton	MHC	100%	05 Oct 2010	04 Oct 2015	47 sub blocks	
E39/1593	Ponton	MHC	100%	19 May 2011	18 May 2016	71 sub blocks	
E39/1675	Ponton	MHC	100%	App	App	54 sub blocks	(1)
E28/2237	Ponton	MHC	100%	App	App	53 sub blocks	(2)
E80/3275	Gardner Range	MHC/NML	40%	11 Nov 2005	10 Nov 2012	54 sub blocks	(3)
E80/3817	Gardner Range	MHC/NML	40%	23 Oct 2008	22 Oct 2013	70 sub blocks	(3)
E80/4081	Gardner Range	MHC/NML	40%	03 Mar 2009	02 Mar 2014	43 sub blocks	(3)

NOTES	
(1)	Application lodged with DMP on 18 November 2011
(2)	Application lodged with DMP on 6 April 2012
(3)	Northern Minerals Limited has right to earn 80% interest by sole funding and completing mining prefeasibility study

2. TENEMENT SCHEDULE (continued)

ABBREVIATIONS			
E	Exploration Licence WA	DMP	Western Australian Department of Mines and Petroleum
km²	Square Kilometre	MHC	Manhattan Corporation Limited ABN 61 123 156 089
App	Application Lodged	MRPL	Manhattan Resources Pty Ltd ABN 81 127 373 871
		NML	Northern Minerals Limited ABN 61 119 966 353

AREAS			
Western Australia		1 Sub block	2.97km²
Ponton Project	828 sub blocks	Total Area	2,460km²
Gardner Range Project	167 sub blocks	Total Area	500km²

"The potential size of Manhattan's low cost ISL uranium project sets Manhattan's Ponton project apart from its competitors"

"As market sentiment returns to the uranium sector, the imminent supply gap of nuclear fuel unfolds and the uranium price recovers as the rapidly expanding reactor fleet seeks sustainable supplies of primary fuel Manhattan's large, competitive resource base will be under international pressure to be developed"





MANHATTAN

MANHATTAN CORPORATION LIMITED

BUSINESS OFFICE

Ground Floor
15 Rheola Street
West Perth WA 6005

PO Box 1038
West Perth WA 6872

Telephone : +61 8 9322 6677
Facsimile : +61 8 9322 1961

Email : info@manhattancorp.com.au
Website : www.manhattancorp.com.au