



MANHATTAN

MANHATTAN CORPORATION LIMITED

STALLION SONIC DRILL RESULTS

ASX Announcement

18 October 2010

**STALLION SONIC DRILL RESULTS REPORT HIGH GRADE URANIUM
NEW RESOURCE ESTIMATES UNDERWAY**

**STALLION & HIGHWAY PROSPECTS
PONTON URANIUM PROJECT WA**

Sonic Drill Results Reported Include

*2 metres at 366ppmU₃O₈
6 metres at 372ppmU₃O₈
6 metres at 435ppmU₃O₈
3 metres at 394ppmU₃O₈*

Results Include 1 Metre Sonic Core Grades of

308, 319, 322, 330, 353, 424, 432, 507, 544, 617, 934, 970 and 1,156ppmU₃O₈

- *Over 18 kilometres of uranium mineralised palaeochannel drilled at Stallion, Highway and Highway North*
- *237 aircore and sonic drill holes at Stallion defines over 8 kilometre long, 200 to 1,000 metre wide, uranium mineralised palaeochannel with sonic drill assays up to 1,156ppmU₃O₈ over a metre*
- *216 aircore and sonic drill holes at Highway and Highway North defines over 10 kilometre long, 200 to 1,500 metre wide, uranium mineralised palaeochannel with sonic drill assays up to 210ppmU₃O₈ over a metre*
- *Multiple zones of uranium mineralisation encountered include 2 metres 366ppmU₃O₈, 6 metres 372ppmU₃O₈, 6 metres 435ppmU₃O₈ and 3 metres 394ppmU₃O₈ with chemical assays up to 1,156ppmU₃O₈ over a metre*
- *The drilled uranium mineralisation, up to 6 metres thick, is hosted in carbonaceous sands below 40 to 60 metres of cover*
- *Sonic assay results have provided the data required to establish disequilibrium factors for the sand hosted uranium mineralisation at Ponton*
- *Over 450 sonic and aircore down hole gamma logs at Stallion, Highway and Highway North can now be converted to grade eU₃O₈ for resource estimate calculations*
- *A maiden resource estimate is now being modelled and calculated for Stallion*
- *A further 37 kilometres of palaeochannels, containing known drilled sand hosted uranium mineralisation, at Stallion South, Double 8, Highway South and Ponton Creek remain to be drill tested*
- *Manhattan now controls over 2,240km² of the highly prospective Ponton Mulga Rock Uranium Province in WA*



INTRODUCTION

Manhattan Corporation Limited (“**Manhattan**”) has now completed 600 aircore and sonic drill holes, totalling 40,850 metres of drilling, testing the potential for palaeochannel sand hosted uranium mineralisation at Ponton in Western Australia. 453 of these drill holes, totalling 31,989 metres of drilling including a 19 hole, 1,321 metre sonic core drilling program, have been drilled into the Stallion, Highway and Highway North uranium prospects.

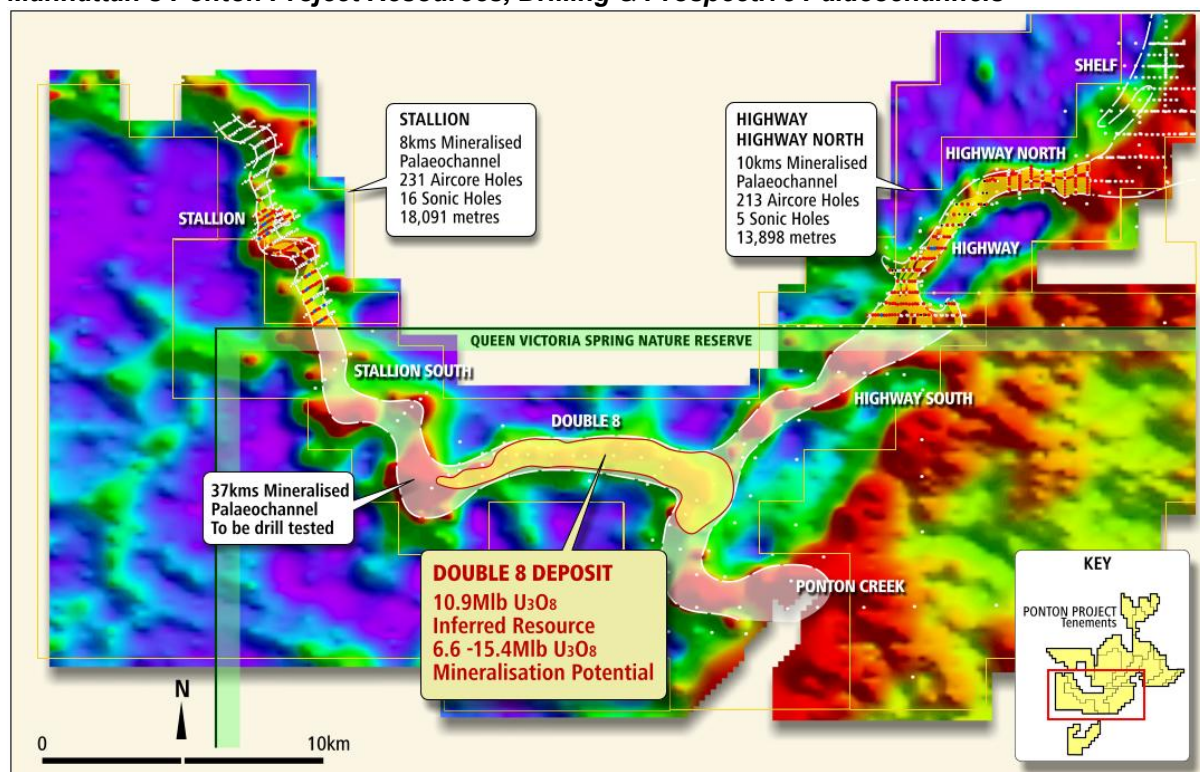
Sonic drilling duplicated and twinned approximately 1 in 3 of the mineralised aircore holes at Stallion (and 3 holes at Highway) and collected competent core samples of the unconsolidated uranium mineralised sands for chemical analysis. Representative intervals selected for sonic core sampling were based on gamma logs of the adjacent aircore holes. Multiple zones of uranium mineralisation were encountered in all 19 sonic holes with uranium oxide (“ U_3O_8 ”) analyses reported for 14 holes at 100ppm U_3O_8 cutoff.

Stallion sonic drill intersections include 2 metres of 221ppm U_3O_8 in STSC1222, 2 metres of 366ppm U_3O_8 in STSC1224 including 1 metre of 424ppm U_3O_8 , 6 metres at 200ppm U_3O_8 in STSC1227 including 1 metre of 353ppm U_3O_8 , 6 metres at 372ppm U_3O_8 in STSC1228 including 1 metre of 1,156ppm U_3O_8 , 4 metres of 196ppm U_3O_8 in STSC1231 including 1 metre of 308ppm U_3O_8 , 1 metre of 544ppm U_3O_8 in STSC1233, 6 metres of 435ppm U_3O_8 in STSC1235 including 1 metre of 934ppm U_3O_8 and 3 metres of 394ppm U_3O_8 in STSC1237 including 1 metre of 970ppm U_3O_8 .

Highway sonic drill intersections include 2 metres of 200ppm U_3O_8 in HWSC1215 and 1 metre of 180ppm U_3O_8 and 2 metres of 161ppm U_3O_8 in HWSC1216.

The Ponton Project includes the 11Mlb Double 8 uranium deposit that is known to contain a further drilled Mineralised Potential of 6.6 to 15Mlb of uranium oxide. The deposit is located in the Queen Victoria Spring Nature Reserve (“**QVSNR**”). Sand hosted uranium mineralisation, below 40 to 60 metres of cover, has now been drilled along 55 kilometres of the Tertiary palaeochannels in Manhattan’s project area.

Manhattan’s Ponton Project Resources, Drilling & Prospective Palaeochannels





SONIC DRILLING, SAMPLING AND ASSAY TECHNIQUE

Boart Longyear Drilling undertook the sonic drilling using a 600T sonic core rig. Continuous representative cores were retrieved using a 100mm internal diameter 3 metre core barrel with complete undisturbed intervals recovered from the mineralised sections. All drill holes were down hole gamma logged by Geoscience Associates Australia Pty Ltd utilising 38mm natural gamma probes (calibrated probes SSG01 and SSG02) within 50mm diameter PVC casing in a 170mm diameter drill hole. Samples were checked on site using a hand held RS125 Super Spectrometer and core samples submitted for assay. 398 sonic 1 metre and duplicate 0.5 metre core samples, including Manhattan standards and field duplicates, were submitted to ALS Laboratory Group for a range of multi element analyses, including uranium. Assay results reported are based on the 1 metre and duplicate 0.5 metre continuous sampled 100mm cores.

Examples of Stallion Sonic Drill Cores with Uranium Oxide Grades





The sonic drill sample uranium analyses from Stallion and Highway will provide the required assay data to enable conversion of the sonic and aircore down hole gamma logs to grade eU_3O_8 and establish disequilibrium factors for resource estimate calculations.

STALLION TARGET

The Stallion uranium prospect is located in E28/1523 and centred 14 kilometres northwest of the Double 8 uranium deposit at Ponton (Figure 1).

Manhattan has now completed 221 vertical aircore drill holes at Stallion totalling 16,914m of drilling. Drilling has been completed on 200m and 400m spaced lines with holes drilled at 100m centres along each grid line across the palaeochannel. Each aircore hole has been gamma logged.

Based on the aircore down hole gamma logs multiple zones of uranium mineralisation 200m to 1,000m wide between 2m and 25m thick have been encountered in 70 aircore holes along 8 kilometres of the Tertiary palaeochannel at Stallion at 60m to 90m deep (Figure 2).

1,177 metres of sonic drilling, in 16 holes, has been drilled along 5 kilometres the mineralised zone at Stallion. These sonic holes have duplicated and twinned approximately 1 in 3 of the mineralised holes and provided competent samples of the unconsolidated mineralised sands for chemical analysis. Chemical analyses for sonic drill intersections for 15 holes at Stallion are presented in Table 1.

Table 1: Stallion Sonic Drill Assays

STALLION SONIC DRILL HOLE ASSAY RESULTS							
HOLE	NORTHING	EASTING	RL	FROM	TO	METRES	GRADE ppmU ₃ O ₈
STSC1222	6,656,307	516,539	332	60	61	1	113
and				63	65	2	221
including				64	65	1	330
STSC1224	6,656,814	516,635	337	63	65	2	366
including				64	65	1	424
STSC1225	6,656,611	516,278	332	60	61	1	238
STSC1226	6,657,016	516,176	333	63	67	4	130
including				66	67	1	201
STSC1227	6,657,419	516,053	334	62	68	6	200
including				64	65	1	353
STSC1228	6,657,353	515,993	333	61	67	6	372
including				63	64	1	1,156
STSC1231	6,658,365	516,086	338	64	68	4	196
including				65	66	1	308
STSC1232	6,659,344	514,601	334	69	70	1	104
STSC1233	6,659,188	514,348	335	64	65	1	544
STSC1235	6,659,721	514,558	334	59	65	6	435
including				63	64	1	934
STSC1236	6,659,668	514,477	336	58	59	1	173
STSC1237	6,660,004	514,628	332	67	70	3	394
				67	68	1	970

Notes: All drill holes vertical
Analyses by ALS Laboratory Group by multi acid digest, ICPAES and ICPMS finish (ALS code ME-MS61U)
Analyses reported on 100ppmU₃O₈ cutoff with maximum 1 metre internal <100ppmU₃O₈

Sonic drilling over 5 kilometres of strike at Stallion (see Figure 2) confirmed the presence and grade of uranium mineralisation identified in the gamma logs from the 221 aircore drill holes.

The uranium mineralisation is hosted within reduced carbonaceous sands and weathered granitic sands in an aquifer capped by 2m to 8m clay horizon and 40m to 60m of unmineralised sandstone and claystone and underlain by weathered and crystalline granite basement.



HIGHWAY & HIGHWAY NORTH TARGETS

The Highway and Highway North uranium prospects are located in E28/1523 and E39/1143 centred 15 kilometres northeast of the Double 8 uranium deposit at Ponton (Figure 1).

In August 2010 Manhattan completed aircore drilling at Highway and Highway North. 213 aircore holes totalling 13,754 metres of drilling has been completed on 400m x 100m and 800m x 100m grids. Holes are drilled on 100m and 200m centres along each grid line across the palaeochannel.

Anomalous uranium mineralisation, indicated by the down hole gamma logs, has been encountered in 129 aircore holes along 10 kilometres of the Tertiary palaeochannel at Highway and Highway North at 40m to 80m deep (Figure 3).

Apart from some shallow lignite hosted anomalous uranium encountered along the southern part of the palaeochannel at Highway North, the geological controls and style of the channel sand hosted uranium mineralisation at Highway and Highway North are similar to the mineralisation encountered at Stallion. A number of aircore holes failed to reach target due to the presence of a shallow hard silcrete layer (It's planned to redrill these holes in November 2010).

In late August 144 metres of sonic drilling, in 3 holes, has been drilled along 3 kilometres the mineralised zone at Highway. Chemical analyses for sonic drill intersections for the 3 holes at Highway are presented in Table 2.

Table 2: Highway Sonic Drill Assays

HIGHWAY SONIC DRILL HOLE ASSAY RESULTS							
HOLE	NORTHING	EASTING	RL	FROM	TO	METRES	GRADE ppmU ₃ O ₈
HWSC1215	6,658,784	538,103	337	43	45	2	200
HWSC1216	6,658,788	538,200	336	45	46	1	180
and				49	50	1	116
and				52	54	2	161

Notes: All drill holes vertical
Analyses by ALS Laboratory Group by multi acid digest, ICPAES and ICPMS finish (ALS code ME-MS61U)
Analyses reported on 100ppmU₃O₈ cutoff with maximum 1 metre internal <100ppmU₃O₈

Sonic drilling over 3 kilometres of strike at Highway (see Figure 3) again confirmed the presence and grade of uranium mineralisation identified in the gamma logs from the 213 aircore drill holes.

SUMMARY

Manhattan has completed 31,989 metres of aircore and sonic drilling, in 453 holes, at Stallion, Highway and Highway North. All drill holes have been gamma logged.

The sonic drill results will now provide assay data required to establish the disequilibrium factors and enable conversion of the down hole gamma logs to grade eU₃O₈. Grades and *grade thickness values will then be used to calculate resource estimates for the Stallion, Highway and Highway North mineralisation. [***Grade thickness is metres intersected multiplied by average gamma converted grade based on sonic sample chemical assays ppmU₃O₈ correlated with the measured gamma response**]

Manhattan is now systematically aircore drilling the palaeochannels at the Shelf, to the north of the Shelf and at the East Arm prospects (see Figure 1) to the north of the QVSNR.

The sonic samples have also been submitted for mineralogical and metallurgical analysis, host sediment chemistry and particle size analysis as input into scoping studies to determine if the mineralisation is amenable to ISL extraction of the contained uranium oxide.



Gaining exploration access to the QVSNR is a priority for the Company where a further 37 kilometres of drill identified palaeochannel sand hosted uranium mineralisation, including the Double 8 deposit, is known to be present. On regaining exploration access to the QVSNR, Manhattan will immediately commence a \$5 million, 60,000 metre resource definition drilling program at Double 8, Stallion South and Highway South. This 1,400 hole program is designed to establish resource estimates for these prospects and expand the reported Inferred Resource and convert the reported Mineralised Potential at Double 8 to Inferred Resource status.

ALAN J EGGERS
Executive Chairman
Manhattan Corporation Limited
18 October 2010

COMPETENT PERSON'S STATEMENT

The information in this report that relates to reported Exploration Results, Mineral Resources or Ore Reserves 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, Mineral Resources or Ore Reserves based on his information in the form and context in which it appears.

As stated in Manhattan's maiden Resource Estimate for Double 8 announced on 5 May 2009, and 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.



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FIGURE 1

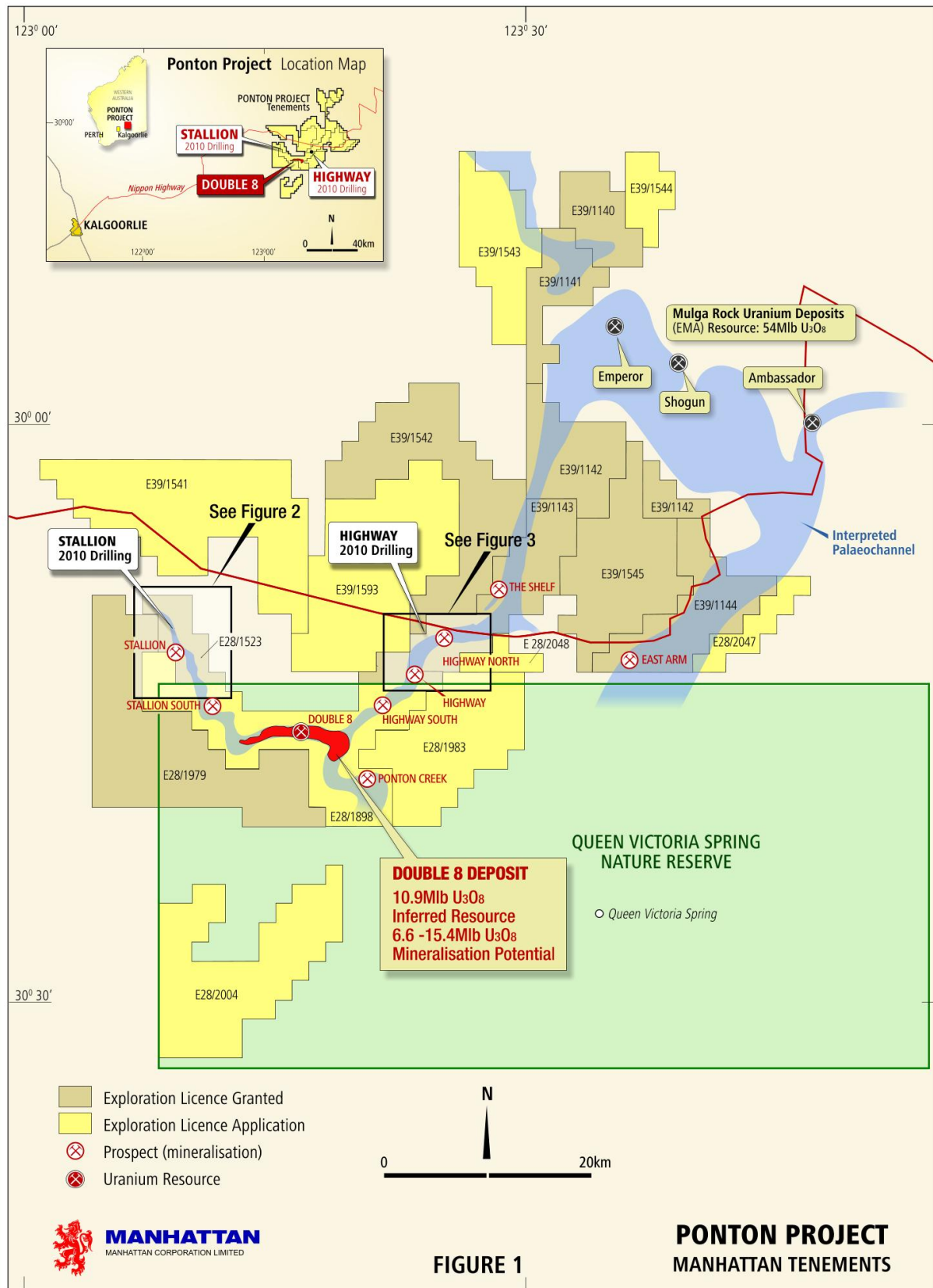


FIGURE 2





FIGURE 3

