MANHATTAN

MANHATTAN CORPORATION LIMITED

QUARTERLY REPORT

PERIOD ENDED 30 SEPTEMBER 2011

ABN 61 123 156 089

www.manhattancorp.com.au

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COMPETENT PERSON'S STATEMENT

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

SEPTEMBER 2011 QUARTER HIGHLIGHTS

- 65% increase in reported inferred uranium oxide resource and independent scoping study confirms Ponton project's ability to deliver positive outcome for investors
- 17.2Mlb uranium oxide Inferred Resource with an additional 33 to 67Mlbs U_3O_8 Mineralisation Potential reported for Double 8, Stallion South, Highway South and Ponton demonstrates the potential of the project to host a world class ISL sand hosted uranium resource
- Double 8 deposit ranks as number 20 in Australia and 7th largest reported resource in Western Australia
- International engineers Tetra Tech complete positive desktop scoping study on Manhattan's Ponton ISL uranium project
- All four key exploration tenements in the QVSNR now granted
- Ministerial consent and exploration access to commence drilling within QVSNR, covering the Double 8 deposit and the Stallion South, Highway South and Ponton prospects, is being sought
- Company retains cash and investments in ASX listed uranium companies of $1.87 million
- 2011 reversal in sentiment and investor confidence in the uranium sector and collapse of the world's equities markets continues to impact on Manhattan's performance
- Manhattan maintains the medium to long term outlook for the uranium industry and nuclear power remains positive and unchanged
- Fundamentals of the nuclear industry are sound as prominent environmentalists switch support to nuclear
- Uranium supply shortfall continues as mines struggle to perform and new developments deferred
- SPOT MARKET URANIUM OXIDE AT US$52.50 POUND

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. The Company also has a 40% joint venture interest in the Gardner Range uranium and gold project in Western Australia (Figure 1).

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

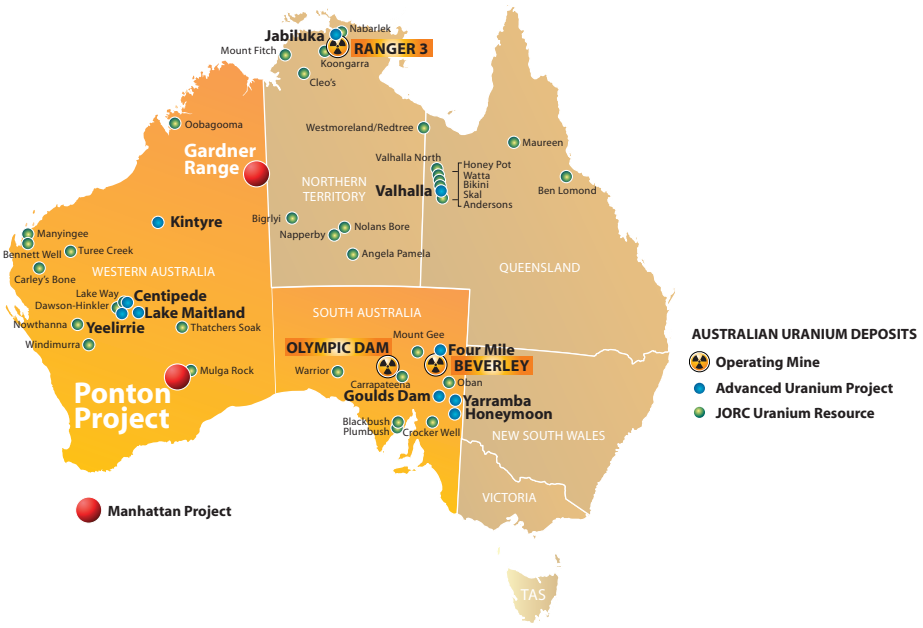
In March 2011 Manhattan reported a JORC Inferred Resource estimate for the Double 8 uranium deposit at Ponton of 17.2Mlb uranium oxide ("**U_3O_8**") at a 200ppm cutoff.

In addition, Exploration Results reported by Manhattan in March 2011 identified 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 obtain Ministerial consent and exploration access to E28/1898 located mostly within the Queen Victoria Spring Nature Reserve ("**QVSNR**") in WA. This access will enable Manhattan to recommence drill testing and evaluation of the Double 8 uranium deposit and the Mineralisation Potential identified at Double 8, Stallion South, Highway South and Ponton prospects.

Manhattan also retains a 40% interest in the Gardner Range uranium project where Northern Minerals Limited, and its strategic partner Areva, are operators and earning up to an 80% interest by sole funding and completing a mining prefeasibility study.

FIGURE 1: MANHATTAN'S AUSTRALIAN URANIUM PROJECTS



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 plans to continue to drill and develop a number of palaeochannel hosted uranium oxide resources including the Double 8, Stallion, Highway and Ponton uranium deposits, to ISL mine development stage at Ponton.

Manhattan retained, on 17 October 2011, $0.69 million in cash plus liquid investments in three ASX listed uranium companies valued at $1.18 million.

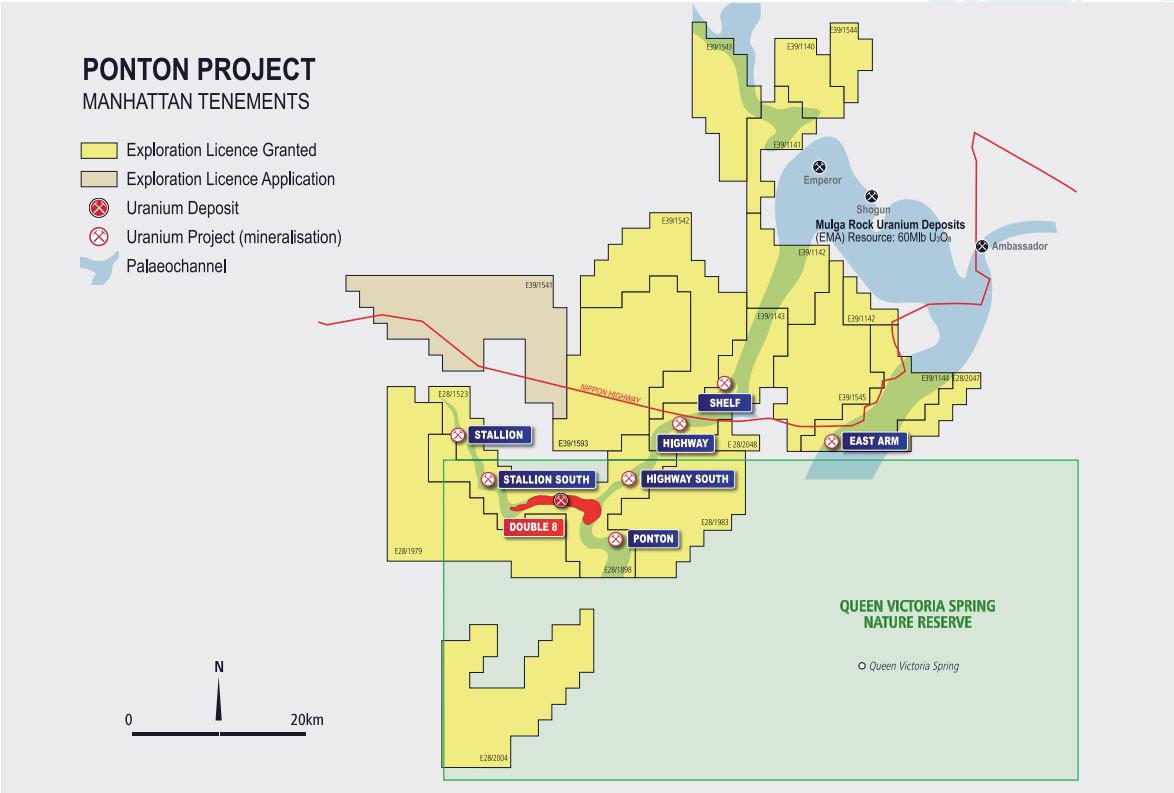
REVIEW OF OPERATIONS

1 PONTON PROJECT (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

Manhattan's Ponton project is located approximately 200km northeast of Kalgoorlie on the edge of the Great Victoria Desert in WA. The Company has 100% control of around 2,140km^2 of applications and granted exploration tenements underlain by Tertiary palaeochannels within the Gunbarrel Basin. These palaeochannels are known to host a number of uranium deposits and drilled uranium prospects (Figure 2).

FIGURE 2: MANHATTAN'S PONTON TENEMENTS



The Ponton Project includes the Double 8 uranium deposit that has a JORC Inferred Resource of 17.2Mlb U_3O_8 at a 200ppm cutoff. The deposit is located on E28/1898 in the QVSNR (Figures 2 & 3).

In addition, Exploration Results reported by Manhattan in March 2011 identified Mineralisation Potential totalling 33 to 67Mlb U_3O_8 at the 200ppm U_3O_8 cutoff in four prospects at:

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

Stallion, Highway and Shelf prospects have been systematically drilled to a detail that would support resource estimations. Resource estimates will be completed and reported when further secular disequilibrium data being analysed by ANSTO and Western Radiation Services are received, models refined and conversion procedures for Manhattan's down hole gamma probe data finalised. Preliminary information gives a strong likelihood that a disequilibrium factor for these prospects may be significantly higher than the x1.2 currently assumed for the Inferred Resources at Double 8.

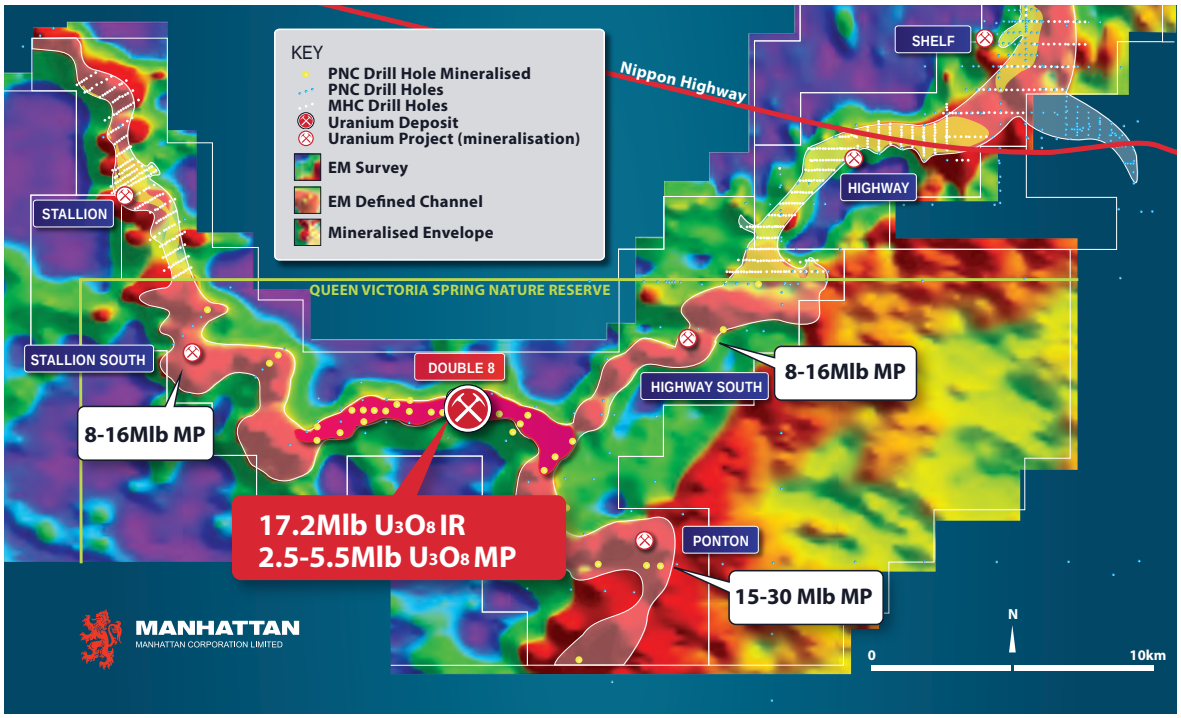
REVIEW OF OPERATIONS

1 PONTON PROJECT (WA) (continued)

Carbonaceous sand hosted uranium mineralisation, below 40 to 60 metres of cover, has now been defined in drill holes along 55 kilometres of Tertiary palaeochannels at Stallion, Stallion South, Double 8, Ponton, Highway South and Highway prospects (Figure 3).

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

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

REVIEW OF OPERATIONS

2 DOUBLE 8 URANIUM DEPOSIT (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

DOUBLE 8 INFERRED RESOURCE ESTIMATES

An Inferred Resource of 26 million tonnes grading 300ppm U_3O_8 containing 7,800 tonnes (17.2Mlb) of uranium oxide at a 200ppm U_3O_8 cutoff for the Double 8 uranium deposit is reported. The reported Resources are based on RC drilling by PNC in the mid 1980's and are classified as Inferred in accordance with the JORC Code (2004).

Double 8 Reported Inferred Resources

DOUBLE 8 INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE U_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

Manhattan's Exploration Results, based on Manhattan's reported resource estimates for Double 8, PNC's early 1980's reconnaissance RC drilling, Manhattan's 2009 and 2010 aircore and sonic drilling results and Manhattan's airborne EM and magnetic surveys, has identified further uranium Mineralisation Potential at Double 8.

At a 200ppm U_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_3O_8 (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE U_3O_8 (ppm)	TONNAGE RANGE U_3O_8 (t)	POUNDS RANGE (MILLION) U_3O_8 (Mlb)
200	4 - 8	250 - 450	1,100 - 2,500	2.5 - 5.5

In accordance with clause 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.

REVIEW OF OPERATIONS

2 DOUBLE 8 URANIUM DEPOSIT (WA) (continued)

The mineralisation is approximately 500m wide on average with down hole thicknesses of 3 to 25 metres. The uranium mineralisation at Double 8 remains open and is yet to be closed off by drilling. Manhattan considers that further drilling of the Double 8 deposit will expand on the reported resource and the confidence levels of resources will improve and report to higher confidence categories under the JORC Code (2004).

At a depth of 30 to 70 metres deep the Double 8 deposit is a shallow reduced sand hosted tabular uranium deposit in a confined palaeochannel potentially amenable to ISL metal recovery, the lowest cost method of producing yellowcake with the least environmental impact.

3 STALLION SOUTH (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

Stallion South is located immediately to the south of Stallion and northwest of Double 8 along the Ponton palaeochannel. This prospect is within licence application E28/1898 within the QVSNR (Figures 2 & 3).

At Stallion South wide spaced reconnaissance drilling (generally on 4km centres) by PNC in the early 1980's intersected anomalous uranium mineralisation, with similar grades to those reported by Manhattan at Double 8.

The drilled uranium mineralisation at Stallion South is also hosted in palaeochannels within reduced carbonaceous sands and weathered granitic sands in a confined aquifer overlying crystalline granite basement.

STALLION SOUTH MINERALISATION POTENTIAL

Based on PNC and Manhattan's drilling combined with Manhattan's detailed airborne EM and magnetic survey data, Exploration Results reported by Manhattan have identified uranium Mineralisation Potential at 200ppm U_3O_8 cutoff of between 8 to 16Mlb of contained U_3O_8.

Stallion South Reported Mineralisation Potential

STALLION 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 obtaining the required Ministerial consent and exploration access to the QVSNR, further resource definition drilling will commence at the Stallion South prospect.

REVIEW OF OPERATIONS

4 HIGHWAY SOUTH (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

Highway South is centred 5km along the palaeochannel to the northeast of Double 8. This prospect is within licence application E28/1898 within the QVSNR (Figures 2 & 3).

At Highway South wide spaced reconnaissance drilling (generally on 4km centres) by PNC in the early 1980's intersected anomalous uranium mineralisation, with similar grades to those reported by Manhattan at Double 8. The drilled uranium mineralisation at Highway South is also hosted in palaeochannels within reduced carbonaceous sands and weathered granitic sands in a confined aquifer overlying crystalline granite and Patterson Group shale basement.

HIGHWAY SOUTH MINERALISATION POTENTIAL

Based on PNC and Manhattan's drilling combined with Manhattan's detailed airborne EM and magnetic survey data, Exploration Results reported by Manhattan have identified uranium Mineralisation Potential at 200ppm U_3O_8 cutoff of between 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 obtaining the required Ministerial consent and exploration access to the QVSNR, further resource definition drilling will commence at the Highway South prospect.

5 PONTON (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

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

At Ponton wide spaced reconnaissance drilling (generally on 4km centres) by PNC in the early 1980's intersected anomalous uranium mineralisation, with similar grades to those reported by Manhattan at Double 8. The drilled uranium mineralisation at Ponton is also hosted in palaeochannels within reduced carbonaceous sands and weathered granitic sands in a confined aquifer overlying crystalline granite and Patterson Group shale basement.

REVIEW OF OPERATIONS

5 PONTON (WA) (continued)

PONTON MINERALISATION POTENTIAL

Based on PNC's drilling combined with Manhattan's detailed airborne EM and magnetic survey data, Exploration Results reported by Manhattan have identified uranium Mineralisation Potential at 200ppm U_3O_8 cutoff of between 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 obtaining the required Ministerial consent and exploration access to the QVSNR, further resource definition drilling will commence at the Ponton prospect.

6 STALLION (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

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

In 2010 Manhattan completed 221 vertical aircore drill holes totalling 16,914m and 16 duplicate sonic drill holes totalling 1,177m of drilling at Stallion. Drilling has been completed on 200m and 400m spaced lines with holes drilled at 100m centres along each grid line across the palaeochannel within mineralised zones. All drill holes were gamma logged.

Multiple zones of anomalous uranium mineralisation, confirmed by the down hole gamma logs, 200m to 1,000m wide and between 2m and 25m thick have been encountered in drilling along 8 kilometres of the palaeochannel at Stallion at 60m to 90m deep (Figure 3).

The Stallion prospect has been systematically drilled to a detail that would support resource estimations. The sonic holes have duplicated and twinned approximately 1 in 3 of the mineralised holes at Stallion and provided competent samples of the unconsolidated mineralised sands for chemical analysis. Resource estimates will be completed and reported when further secular disequilibrium data being analysed by ANSTO and Western Radiation Services are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised. Preliminary information gives a strong likelihood that a disequilibrium factor for the Stallion prospect may be significantly higher than the x1.2 currently assumed for the Inferred Resources at Double 8.

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

REVIEW OF OPERATIONS

7 HIGHWAY (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

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

In 2010 Manhattan completed 275 vertical aircore drill holes totalling 17,670m and 3 duplicate sonic drill holes totalling 144m of drilling at Highway. Drilling has been completed on 400m spaced lines with holes drilled at 100m centres along each grid line across the palaeochannel within mineralised zones. All drill holes were gamma logged.

Extensive anomalous uranium mineralisation, again confirmed by the down hole gamma logs, 400m to 2,000m wide and between 2m and 25m thick have been encountered in drilling along 10 kilometres of the palaeochannel at Highway at 40m to 80m deep (Figure 3).

The Highway prospect has also been systematically drilled to a detail that would support resource estimations. The sonic holes have duplicated and twinned mineralised holes at Highway and provided competent samples of the unconsolidated mineralised sands for chemical analysis. Resource estimates will be completed and reported when further secular disequilibrium data being analysed by ANSTO and Western Radiation Services are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised. Preliminary information gives a strong likelihood that a disequilibrium factor for the Highway prospect may be significantly higher than the x1.2 currently assumed for the Inferred Resources at Double 8.

Apart from some shallow lignite hosted uranium mineralisation encountered along the northern part of the palaeochannel at Highway, the geological controls and style of the channel sand hosted uranium mineralisation at Highway are similar to the mineralisation encountered at Double 8 and Stallion.

8 SHELF (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

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

At the Shelf drilling by PNC and 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 completed 199 aircore drill holes totalling 13,367m of drilling on lines approximately 800m and 1.2km apart along 20km of the palaeochannel to the north of Highway and 8 duplicate holes totalling 300m into the lignite mineralisation at the Shelf prospect.

The Shelf prospect has also been systematically drilled to a detail that may support resource estimations. The resource potential for the Shelf prospect will be assessed when further secular disequilibrium data are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU_3O_8 are finalised. Preliminary information gives a strong likelihood that a disequilibrium factor for the Shelf prospect may be significantly higher than the x1.2 currently assumed for the Inferred Resources at Double 8.

REVIEW OF OPERATIONS

9 EAST ARM (WA)

Interest: Manhattan 100%
Operator: Manhattan Corporation Limited

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

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

10 GARDNER RANGE PROJECT (WA)

Interest: Manhattan 40%
Operator: Northern Minerals Limited

The Gardner Range project is located in the Tanami region of WA approximately 150km southeast of Halls Creek. Manhattan holds four granted exploration licences covering 550km^2 bordering the Northern Territory.

The target is high grade unconformity related uranium mineralisation similar to the Athabasca Basin deposits and the Ranger uranium mine in NT. Historic drilling at the Don uranium prospect hole BIR001, within the project area, intersected 0.44m of 1.5% U_3O_8 and 1.7ppm gold at a depth of 40m.

Manhattan retains a 40% interest in the Gardner Range uranium project where Northern Minerals Limited ("Northern"), and its strategic partner Areva, are operators and earning up to an 80% interest by sole funding and completing a mining prefeasibility study.

In December 2010 Northern reported the results of RC drilling in 16 holes on the Don and Soma prospects on Manhattan's Gardner Range Project.

Northern have approved a budget for their 2011 exploration program targeting both uranium and gold mineralisation on the Gardner Range joint venture tenements. Uranium mineralisation at the Soma prospect on E80/3275 and Deva prospect on E80/1735 will be targeted with 13 to 14 holes for approximately 2,800m of drilling. Gold mineralisation at The Don, Whites Beach and Venus prospects will be tested by 2,500m of drilling.

REVIEW OF OPERATIONS

SUMMARY

Manhattan has continued with the exploration and development of its flagship uranium project at Ponton in WA by completing a major drill program, reporting a substantial increase in its resource base, identifying the potential for a world class uranium development project and commissioning an independent desktop scoping study that confirms the project's ability to deliver a positive outcome for our investors.

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

The sand hosted uranium mineralisation is located in shallow contiguous palaeochannels within Manhattan's project area at Ponton and demonstrates the potential of the project to host a world class ISL sand hosted uranium resource.

Manhattan's four Exploration Licences that encroach on, or are within, the QVSNR have now been granted. Exploration and drilling activities within the QVSNR require Ministerial consent of the Minister for Mines and Petroleum with the approval of the Minister for Environment. Ministerial consent is being sought for the key tenement, E28/1898, and the executive team are working on gaining Departmental approvals to clear the way for the Company to proceed with its exploration and development activities on the Ponton ISL project.

In August 2011 international engineering consultants, Tetra Tech, completed an independent prefeasibility desktop study of Manhattan's Ponton ISL Uranium Project. Their report is positive, recommends further development work and indicates the Ponton uranium ISL project has good potential to become an economic ISL uranium producer with comparatively low operational costs per pound of uranium oxide that would require a relatively modest capital investment.

Tetra Tech have recommended further geological, hydrological, metallurgical and engineering work be undertaken by Manhattan to confirm the project's technical and economic viability.

Manhattan maintains its view that the medium to long term outlook for the uranium industry and nuclear power remains positive and unchanged. The fundamentals of the industry are sound. Uranium and nuclear power remains a competitive, safe and clean source of base load power now utilised on a large scale around the world with a further 65 new power reactors currently under construction.

The major nuclear power users, USA, China, Russia, India and France have all restated their commitment to the industry and intention to continue with their expansion plans post the Japanese earthquake, tsunami and the Fukushima incident.

REVIEW OF OPERATIONS

SUMMARY (continued)

Based on the positive fundamentals of the industry, its safety record and management of all its waste a number of prominent environmentalists have looked at the world's options to supply the increasing demand for energy and have concluded that nuclear power is an essential component of future supply.

In the early 2000's Patrick Moore (the founder of Greenpeace), Sir James Lovelock (eminent scientist and climatologist) and the late Bishop Huge Montefiore (environmentalist, theologian and Friends of the Earth) all switched their support to nuclear and more recently Baroness Worthington (Friends of the Earth), Stephen Tindale (director of Greenpeace) and George Monbiot (environmentalist, author and blogger) have come out in support of the nuclear option.

World primary mine production is currently around 120Mlb per annum and world consumption by the existing installed capacity 220Mlb per annum and growing. BHP Billiton predicted in their Olympic Dam Environmental Statement in May 2011 there will be a shortfall in supply of 154Mlb in twenty years. The massive expansion proposed for giant Olympic Dam mine in South Australia would produce an additional 42Mlb per year.

Manhattan remains extremely well positioned to take advantage of the break out in the uranium demand and price in the next few years as it drills up and develops its resource inventories at Ponton in WA.

ALAN J EGGERS
Executive Chairman
17 October 2011

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

MANHATTAN CORPORATION LIMITED

ABN	Quarter ended ("current quarter")
61 123 156 089	**30 September 2011**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(541)	(541)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(401)	(401)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Direct costs of Manhattan Merger	-	-
	Net Operating Cash Flows	**(936)**	**(936)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	393	393
	(c) other fixed assets	-	-
1.10	Loans from other entities	-	-
1.11	Loans repaid to other entities	-	-
1.12	Other – Security deposits	-	-
	Net investing cash flows	**393**	**393**
1.13	Total operating and investing cash flows (carried forward)	(543)	(543)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(543)	(543)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from funds held on trust	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – funds received from the Manhattan Merger	-	-
	Net financing cash flows	**-**	**-**
	Net increase (decrease) in cash held	(543)	(543)
1.20	Cash at beginning of quarter/year to date	695	695
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**152**	**152**

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

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(408)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

1.23 Includes the following payments:
- Payments to Director related companies for Executive Chairman's fees, rent and administration staff $323,053
- Directors reimbursement of expenses incurred on behalf of the Company $32,737
- Non Executive Directors fees $17,500
- Payments to Director related entity for legal and advisory fees $34,631

Non-cash financing and investing activities

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

N/A

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration & Evaluation	200
4.2	Development	-
4.3	Production	-
4.4	Administration	180
	Total	**380**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	54	110
5.2	Deposits at call	98	585
5.3	Bank overdraft	-	-
5.4	Other (money held on behalf of shareholders)	-	-
	Total: cash at end of quarter (item 1.22)	**152**	**695**

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

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	E28/1898 E28/1983 E28/2004	Tenement Granted Tenement Granted Tenement Granted	100% 100% 100%	100% 100% 100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	Nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	91,080,398	91,080,398		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	2,250,000 5,050,000 4,050,000 100,000 100,000	Nil Nil Nil Nil Nil	**Exercise Price** $0.20 $0.60 $1.00 $1.80 $2.20	**Expiry Date** 21/01/2012 21/07/2014 21/07/2014 12/03/2015 12/03/2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired/Cancelled during quarter	500,000 500,000	Nil Nil	$0.60 $1.00	21/07/2014 21/07/2014
7.11	**Debentures** *(totals only)*	Nil			
7.12	**Unsecured notes** *(totals only)*	Nil			

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

RS (Sam) Middlemas **17 October 2011**
Company Secretary

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.

TENEMENT SCHEDULE **As at 30 September 2011**

WESTERN AUSTRALIA							
Tenement Number	Project	Registered Holder(s)	Manhattan's Interest	Date Granted	Expiry Date	Area	Notes
E39/1140	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	18 sub blocks	(1)
E39/1141	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	18 sub blocks	(1)
E39/1142	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	35 sub blocks	(1)
E39/1143	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	35 sub blocks	(1)
E39/1144	Ponton	MHC	100%	24 Aug 2006	23 Aug 2011	35 sub blocks	(1)
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%	App	App	76 sub blocks	(2)
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	
E80/1735	Gardner Range	MHC/NML	40%	15 Mar 1994	14 Mar 2012	12 sub blocks	(3)
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)
QUEENSLAND							
EPM17320	Annable North	MRPL	100%	App	App	16 sub blocks	(4)

Notes	
(1)	Application for extension lodged with DMP on 25 July 2011
(2)	Application lodged with DMP on 29 January 2010
(3)	Northern Minerals Limited has right to earn 80% interest by sole funding and completing mining prefeasibility study
(4)	Application lodged with DME on 1 February 2008 (Annable North)

Abbreviations			
E	Exploration Licence WA	**DMP**	Western Australian Department of Mines and Petroleum
EPM	Exploration Permit Minerals QLD	**DME**	Queensland Department of Mines and Energy
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	755 sub blocks	Total Area	**2,140km²**
Gardner Project	179 sub blocks	Total Area	**550km²**
Queensland		**1 Sub block**	**3.20km²**
Annable Project	16 sub blocks	Total Area	**52km²**

+ See chapter 19 for defined terms.

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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