



MANHATTAN

MANHATTAN CORPORATION LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2011



ABN 61 123 156 089

www.manhattancorp.com.au

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STOCK EXCHANGE LISTING

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

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CHAIRMAN'S REVIEW

14 March 2012

Dear Shareholders and Investors

I am pleased to present, on behalf of the Board, Manhattan's Interim Financial Report for the Half Year ended 31 December 2011. The Group recorded an operating loss after income tax for the Half Year of \$560,620.

During the Half Year under review there have been a number of significant developments at Manhattan's flagship uranium project at Ponton in Western Australia.

Earlier in 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 shallow near surface sand hosted resource and drilled targets at around 60 metres deep in contiguous palaeochannels confirms the potential for a world class ISL uranium development project at Ponton.

The Double 8 uranium deposit, with 17.2Mlb of contained uranium oxide, ranks as number 20 in Australia and 7th largest reported resource in Western Australia with potential to expand on this resource base with further drilling.

International mining engineering consultants, Tetra Tech, completed a positive desktop study of Manhattan's Ponton uranium project in August 2011 that indicates the project has potential to become a viable and sustainable ISL uranium producer with comparatively low operational costs per pound of uranium oxide that would require a relatively modest capital investment. Tetra Tech recommends further work be undertaken to confirm the project's technical and economic viability.

Manhattan's four Exploration Licences that encroach on, or are within, the QVSNR were all granted by August 2011. Manhattan is now seeking 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.

Despite the setback experienced by the uranium industry worldwide in March 2011, caused by the Fukushima earthquake and tsunami, the outlook for the uranium and nuclear power industries are positive with expansion underway worldwide with 61 new reactors under construction.

There are no signs of a slowdown in the industry or uranium primary fuel consumption with all the major nuclear powered states recently reaffirming their commitment to maintain and expand their nuclear capacity.

Early in 2012 uranium stocks prices have generally improved as investor sentiment returns to the sector and investors seek uranium companies with advanced resources, near term production or production.

2012 market activity has seen an increase in traded volumes and upward price trends for most listed uranium equities. Uranium supply shortfalls predicted as soon as 2013 will impact on market forces with the uranium price predicted to surge in the latter half of 2012. Uranium companies with advanced resource inventories (including Manhattan) and producers will be the target of investors and possible takeover and merger activity as this supply squeeze unfolds.

CHAIRMAN'S REVIEW

At 31 December 2011 there were 434 operating nuclear power plants in 31 countries, 240 research and medical isotope reactors and 140 nuclear powered submarines, aircraft carriers and icebreakers operating worldwide. These reactors are consuming 200Mlb of uranium oxide a year. Primary mine supply worldwide is around 130Mlb with the shortfall in supply being met by inventories (now at very low levels), secondary supply from MOX recycling and dilution of HEU weapons material (35Mlbs per annum).

The uranium price, currently around US\$52 on spot market and US\$68 for medium term contracts, is set to rise in 2012 as nuclear fuel supply shortfall impacts.

With primary mine production flat for the foreseeable future, the cessation of HEU weapons material in 2013 and inventories virtually exhausted there is a serious shortfall in supply looming. There are 61 new reactors now under construction with another 156 at the advanced planning or approval stage. Uranium demand is predicted to be 320Mlbs a year in 10 years with a fuel supply shortfall looming of 85Mlbs by 2014 and as much as 165Mlbs a year by 2022.

The scale of Manhattan's Ponton uranium project, located in Western Australia, has the potential to be developed into a world class low cost sustainable ISL uranium producer. On gaining the necessary government approvals and exploration access to the key licence in QVSNR the 55km of mineralised palaeochannels will be drilled out and mine feasibility studies completed. Resource definition drilling and the green light to develop the project will generate significant value for Manhattan's shareholders.

Manhattan is well positioned, with its drilled resources and identified exploration targets at Ponton, to take advantage of the dynamics of the uranium sector and generate shareholder wealth. The Company's board and management team remain focused on gaining the necessary approvals from the WA government in 2012 to drill out and develop the Ponton ISL uranium project.

ALAN J EGGERS
Executive Chairman
14 March 2012



REVIEW OF OPERATIONS

INTRODUCTION

Manhattan's 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).

Drilling within the palaeochannels at Ponton has established extensive continuity of the carbonaceous sand hosted anomalous 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 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 Mineralisation Potential 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 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.



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, amenable to ISL development, at its flagship Ponton uranium project in Western Australia.

REVIEW OF PROJECTS

1

PONTON PROJECT (WA)

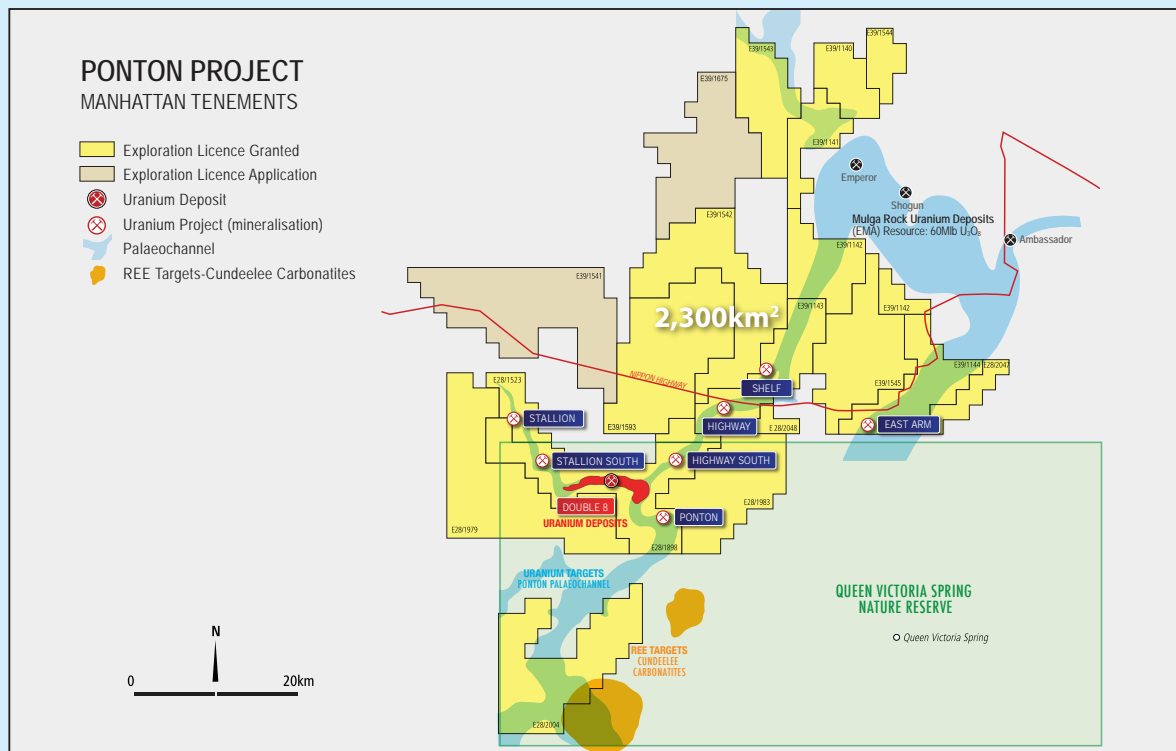
Interest: Manhattan 100%

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 2,310km² 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).

REVIEW OF OPERATIONS

FIGURE 2: MANHATTAN'S PONTON TENEMENTS



The Ponton Project includes the Double 8 uranium deposit that has a JORC Inferred Resource of 17.2Mlb U₃O₈ at a 200ppm cutoff. The deposit is located on E28/1898 within the QVSNR (Figures 2 & 3).

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

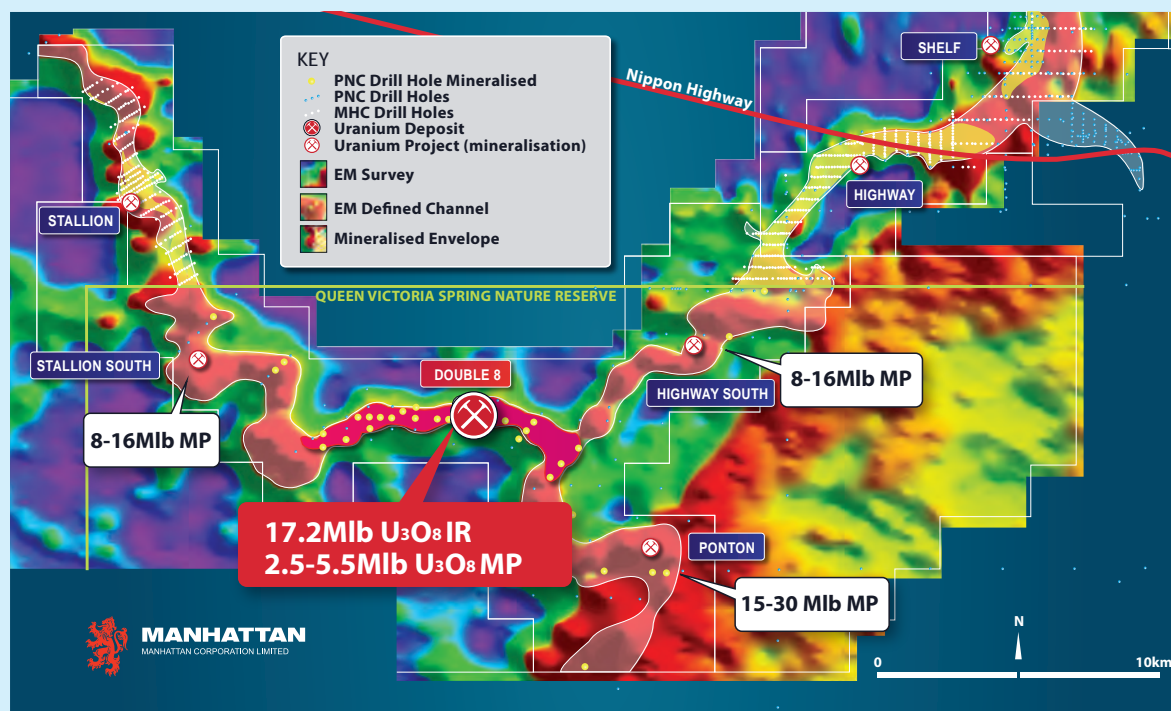
Stallion, Highway and Shelf prospects have been systematically drilled to a detail that would support resource estimations. The resource potential for these three prospects will be assessed when further secular disequilibrium data are received, models refined and conversion procedures for Manhattan's down hole gamma probe data to grade eU₃O₈ are finalised by the Company's independent resource consultants. 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.

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.

REVIEW OF OPERATIONS

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 three Exploration Licence applications that encroach on, or are within, the QVSNR (EL's 28/1898, 1983 & 2004) were granted in August 2011. Manhattan is now seeking to have the key licence, E28/1898 located mostly within the QVSNR, 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 Mineralisation Potential 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 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 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).



REVIEW OF OPERATIONS

Double 8 Reported Inferred Resources

DOUBLE 8 INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE U ₃ O ₈ (ppm)	TONNES (MILLION)	GRADE U ₃ O ₈ (ppm)	TONNES U ₃ O ₈ (t)	POUNDS (MILLION) U ₃ O 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 U₃O₈ 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. eU₃O₈ 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 eU₃O₈. A further disequilibrium factor is applied by multiplying eU₃O₈ by 1.2 to establish U₃O₈. 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 U₃O₈ 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 U₃O₈ cutoff reported Mineralisation Potential at Double 8 includes 4 to 8Mt grading 250 to 450ppm U₃O₈ containing 1,100 to 2,500 tonnes or 2.5 to 5.5Mlb of contained U₃O₈.

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).

REVIEW OF OPERATIONS

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).

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 in reported 2011 identified Mineralisation Potential at a 200ppm U_3O_8 cutoff for Stallion South of 12 to 24Mt grading 250 to 350ppm U_3O_8 containing 3,600 to 7,300 tonnes or 8 to 16Mlb of contained U_3O_8 .

Stallion South 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 E28/1898 being excised from the QVSNR, 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 licence application 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 in reported 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 .

REVIEW OF OPERATIONS

Highway South Reported Mineralisation Potential

HIGHWAY 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 E28/1898 being excised from 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).

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 in reported 2011 identified Mineralisation Potential at a 200ppm U₃O₈ cutoff for Ponton of 23 to 45Mt grading 250 to 350ppm U₃O₈ containing 6,800 to 13,600 tonnes or 15 to 30Mlb of contained U₃O₈.

Ponton Reported Mineralisation Potential

PONTON 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	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 E28/1898 being excised from the QVSNR, further resource definition drilling will commence at the Ponton prospect.

REVIEW OF OPERATIONS

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. 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.

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 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. As at Stallion and Shelf 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.

REVIEW OF OPERATIONS



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.

REVIEW OF OPERATIONS



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 550km² 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 and gold mineralisation similar to the Tanami Arunta province Callie, Granites and Tanami gold mines. Historic drilling at the Don uranium prospect hole BIR001, within the project area, intersected 0.44m of 1.5% U₃O₈ and 1.74ppm gold at a depth of 40m.

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

In the September quarter 2011 Northern drilled 9 holes for 1,407m of drilling for uranium at Gardner. Six holes intersected the target unconformity but down hole gamma logging did not return any significant results. Soil sampling near the Don and Venus prospects returned positive gold results that included anomalous gold up to 228ppbAu. 2,500m of drilling was proposed to test these soil anomalies in the December quarter.

Rock chip samples assaying up to 16.8g/tAu at Venus, previous drilling at the Don (2m @ 1.74g/tAu) and exploration conducted by BHP in the 1980's indicates the project area, within the world class Tanami Arunta gold province, is very prospective for gold mineralisation.

REVIEW OF OPERATIONS

SUMMARY

In 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, 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 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.

ALAN J EGGERS

Executive Chairman

14 March 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 the Financial Statements for Manhattan Corporation Limited and its subsidiaries ("the Group" or "Manhattan") for the Half Year ended 31 December 2011. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

OPERATING RESULTS

The Loss of the Group for the Half Year to 31 December 2011, after provision for income tax, amounted to \$560,620 (2010 – profit \$330,269).

REVIEW OF OPERATIONS

Manhattan is listed on the Australian Securities Exchange ("ASX").

A Review of Operations for the Half 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 1 to 13 of this Half Year Financial Report.

Manhattan will continue to advance its exploration and development projects and examine 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.

DIRECTORS

The following persons held office as Directors of Manhattan Corporation Limited during the Half Year until the date of this report:

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 Investments Limited (2 June 1999 to 17 November 2010) and Tianshan Goldfields Limited (2 February 2009 to 13 November 2010).

DIRECTORS' REPORT

John A G Seton LL.M(Hons) **NON EXECUTIVE DIRECTOR**

John Seton is an Auckland based solicitor with extensive experience in commercial law, stock exchange listed companies and the mineral resource sector. He is a director and chief executive officer of TSX and ASX listed Olympus Pacific Minerals Inc (July 1999 to current), 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 the 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, MAICD **COMPANY SECRETARY**

Sam Middlemas was appointed Company Secretary and Chief Financial Officer on 3 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.

INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Rothsay Chartered Accountants, to provide the Directors of the Company with an Independence Declaration in relation to the review of the financial report for the Half Year ended 31 December 2011. This Independence Declaration is included in the Auditor's Report on page 17 of this Report and forms part of the Director's Report for the Half Year ended 31 December 2011.

This report is made and signed in accordance with a Resolution of Directors.

Dated at Perth this 14 March 2012.

ALAN J EGGERS
Executive Chairman

AUDITOR'S REPORT



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 Review Report to the Members of Manhattan Corporation Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Manhattan Corporation Limited for the half-year ended 31 December 2011.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2011 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Manhattan Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Manhattan Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2011 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Graham R Swan
Partner

Dated 14 March 2012



Chartered Accountants

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

AUDITOR'S DECLARATION



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 Ltd
PO Box 1038
West Perth WA 6872

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 review of the 31 December 2011 interim 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 14 March 2012



Chartered Accountants

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

DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached Financial Statements and Notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 December 2011 and the performance of the consolidated entity for the Half Year ended 31 December 2011.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

ALAN J EGGERS
Executive Chairman

Dated at Perth this 14 March 2012.



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 December 2011

	Note	Half Year Ended 31 December 2011	Half Year ended 31 December 2010
		\$	\$
REVENUE			
Revenue from Continuing Operations			
Interest Income		17,635	13,627
Profit on Trading Investments	5	-	1,686,429
Total Revenue		17,635	1,700,056
EXPENSES			
ASX and Share Registry Fees		23,418	30,411
Consultant Fee Expense		19,920	17,430
Corporate and Administrative Expenses		175,521	238,093
Depreciation Expense		8,143	6,780
Employee Benefits Expense		175,926	120,873
Exploration Provisions		21,150	27,720
Finance Costs		942	1,236
Legal Fees		2,838	3,335
Unrealised Loss on Trading Investments		444,159	-
R&D Tax Costs		92,413	-
Share Based Payments Expense		50,009	747,291
Rent Expenses		178,500	176,618
Total Expenses		1,192,939	1,369,787
(Loss)/Profit Before Income Tax from Continuing Operations		(1,175,304)	330,269
Income Tax (Credit)/Expense		614,684	-
Total Comprehensive (Loss)/Profit for the Half Year Attributable to Members of Manhattan		(560,620)	330,269
Basic (Loss)/Earnings Per Share (cents per share)	3	(0.62 cents)	0.36 cents

The accompanying Notes form an integral part of these Financial Statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	31 December 2011	30 June 2011
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents		467,461	695,667
Trade and Other Receivables		907,184	775,940
Other Investments	5	1,037,000	1,874,000
Total Current Assets		2,411,645	3,345,607
NON CURRENT ASSETS			
Plant & Equipment		22,651	30,794
Capitalised Mineral Exploration Expenditure		7,630,659	6,932,198
Total Non Current Assets		7,653,310	6,962,992
TOTAL ASSETS		10,064,955	10,308,599
CURRENT LIABILITIES			
Trade and Other Payables		50,539	180,819
Provisions		7,952	10,705
TOTAL LIABILITIES		58,491	191,524
NET ASSETS		10,006,464	10,117,075
EQUITY			
Contributed Equity	2	15,297,661	14,897,661
Reserves		4,649,172	4,599,163
Accumulated Losses		(9,940,369)	(9,379,749)
TOTAL EQUITY		10,006,464	10,117,075

The accompanying Notes form an integral part of these Financial Statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2011

	Contributed Equity	Share Based Payment Reserve	Losses	Total
BALANCE AT 1 JULY 2011	14,897,661	4,599,163	(9,379,749)	10,117,075
Total Comprehensive Profit (Loss)	-	-	(560,620)	(560,620)
Transactions with Owners in Their Capacity as Owners				
Directors and Employees options	-	50,009	-	50,009
Shares issued during the period	400,000	-	-	400,000
BALANCE AT 31 DECEMBER 2011	15,297,661	4,649,172	(9,940,369)	10,006,464
BALANCE AT 1 JULY 2010	14,727,786	3,392,475	(8,287,611)	9,832,650
Total Comprehensive Profit (Loss)	-	-	330,269	330,269
Transactions with Owners in Their Capacity as Owners				
Directors and Employees options	-	747,291	-	747,291
BALANCE AT 31 DECEMBER 2010	14,727,786	4,139,766	(7,957,342)	10,910,210

The accompanying Notes form an integral part of these Financial Statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2011

	Half Year Ended 31 December 2011	Half Year Ended 31 December 2010
	\$	\$
	Inflows/(Outflows)	Inflows/(Outflows)
Cash Flows From Operating Activities		
Interest Received	17,635	11,824
Payments to Suppliers and Employees	(826,647)	(653,274)
Income Tax Paid/R&D Refund	524,249	-
Net Cash Flows used in Operating Activities	(284,763)	(641,450)
Cash Flows From Investing Activities		
Payments for Exploration and Evaluation	(736,284)	(2,585,143)
Proceeds from the Sale of Trading Securities	392,841	2,047,695
Net Cash Flows Used in Investing Activities	(343,443)	(537,448)
Cash Flows From Financing Activities		
Proceed from the Issue of Shares	400,000	-
Net Cash Flows Provided by Financing Activities	400,000	-
Net Increase in Cash Held	(228,206)	(1,178,898)
Cash at the Beginning of the Half Year	695,667	1,380,337
Cash at the End of the Half Year/(Year)	467,461	201,439

The accompanying Notes form an integral part of these Financial Statements.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2011

1. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

These general purpose Financial Statements for the Half Year ended 31 December 2011 have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including Accounting Standard AASB 134: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS "Interim Financial Reporting".

It is recommended that these Half Year Financial Statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2011 and any public announcements made by Manhattan Corporation Limited during the Half Year in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001*.

The Half Year report has been prepared on the accruals basis and in accordance with the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

For the purpose of preparing the Half Year Financial Statements, the Half Year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the Half Year Financial Report are consistent with those adopted and disclosed in the Company's 2011 Annual Financial Report for the Financial Year ended 30 June 2011.

In the Half Year ended 31 December 2011, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

2. CONTRIBUTED EQUITY

(a) Issued Capital

	31 December 2011	30 June 2011
	\$	\$
93,080,398 ordinary shares: (30 June 2011: 91,080,398 ordinary shares)	15,297,661	14,897,661

During the Half Year there were 2,000,000 options converted into fully paid shares.

FINANCIAL STATEMENTS

(b) Options

At 31 December 2011 the following unlisted options are outstanding in respect of ordinary shares:

- 250,000 options exercisable at 20 cents each on or before 21 January 2012
- 5,050,000 options exercisable at 60 cents each on or before 21 July 2014
- 4,050,000 options exercisable at \$1.00 each on or before 21 July 2014
- 100,000 options exercisable at \$1.80 each on or before 12 March 2015
- 100,000 options exercisable at \$2.20 each on or before 12 March 2015

Since the end of the Half Year, 250,000 options exercisable at \$0.20 per share have been exercised. There are no other changes to the options on issue.

3. EARNINGS/(LOSS) PER SHARE

The following reflects the earnings (loss) and share data used in the calculations of basic and diluted earnings (loss) per share:

	31 December 2011	31 December 2010
	\$	\$
Earnings (Loss) used in Calculating Basic and Diluted Earnings (Loss) Per Share	(560,620)	330,269

	Number of Shares	Number of Shares
Weighted Average Number of Ordinary Shares used in Calculating Basic Earnings/(Loss Per Share):	91,091,327	90,231,019

Basic EPS and Diluted Earnings (Loss) Per Share	(0.62 cents)	0.36 cents
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4. DIVIDENDS

No dividend has been declared or paid during the period ended 31 December 2011.

5. OTHER INVESTMENTS

	31 December 2011	30 June 2011
	\$	\$
Australian Listed Equity Securities	1,037,000	1,874,000

All investments are made into Companies listed on the Australian Securities Exchange, and are revalued to the Market price of the securities at the end of each period, with profits or losses expensed to the Profit and Loss account.

6. EVENTS SUBSEQUENT TO BALANCE DATE

Since 31 December 2011, no event has arisen that would be likely to materially affect the operations of the Company, the results of the Company or the state of affairs of the Company not otherwise disclosed in the Company's Financial Statements.

7. CONTINGENT ASSETS AND LIABILITIES

The Company has no contingent liabilities or contingent assets as at 31 December 2011.

8. SEGMENT INFORMATION

The Company operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the Company is domiciled and operates in one segment being Australia.

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