



MANHATTAN

MANHATTAN CORPORATION LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

ABN 61 123 156 089

www.manhattancorp.com.au

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CORPORATE DIRECTORY

DIRECTORS

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Marcello Cardaci **Non Executive Director**
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John A G Seton **Non Executive Director**
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STOCK EXCHANGE LISTING

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



CHAIRMAN'S REVIEW

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 2016. The Group recorded an operating loss for the Half Year of \$125,845.

The Ponton Project

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

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

The four Inferred Resource estimates now reported for Ponton contain a combined total of 24Mlbs uranium oxide. Exploration Results at Ponton, previously reported in February 2014, identified four wide spaced drilled Exploration Targets totalling 33 to 67Mlb uranium oxide.

These updated and Resource Estimates and Exploration Targets are now being utilised to revise Manhattan's scoping study for the Ponton in-situ recovery ("ISR") uranium project that will include resource estimates, in-situ leach, ion exchange and solvent extraction metal recovery analysis, operating costs, infrastructure requirements and capital expenditure estimates.

The previous scoping study, undertaken by Tetra Tech Consultants in 2011, indicated the geology and mineralogy of the relatively shallow sand hosted deposits are amenable to ISR solution mining at relatively low cost, with minimal capital requirements making the project comparatively fast and economic to build, and relatively simple to operate.

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

Whilst a proposal has been developed to excise granted E28/1898 (that equates to 6% or 160km² of the 2,700km² QVSNR) from the reserve by a Reserves Amendment Bill in the WA parliament it's unlikely any further progress will be made on the excision of the tenement area from the QVSNR until the new government (following the 11 March 2017 state election) settles into office in mid 2017.

The Ponton project has reported JORC Inferred Resources and Exploration Targets of 57Mlbs to 91Mlbs making it the third largest uranium resource project in WA that positions Ponton as a project of key regional, state and national significance.

Uranium Industry and Fuel Supply

Positive developments continue in the uranium and nuclear industry with global energy consumption from nuclear power projected to increase by 78% from 2014 to 2040. Most of this growth is expected to come from new nuclear power plants in China (21 plants under construction) and India with 5 plants being constructed (IEA's World Energy Outlook 2016).

With the current global over supply of yellowcake, mostly as a result of the shutdown of the Japanese fleet of 55 reactors in 2011, Kazakhstan announced it will cut output by 10% in 2017 (Mining.com 10 January 2017). Kazakhstan's production cut is equivalent to 3% of global supply.

As well Cameco, the world's second largest producer, announced in February 2017 that it may not be finished with cutting production as prices remain low after a major customer Tepco of Japan cancelled a supply contract (Market News 28 February 2017). These production cutbacks have generated renewed interest in the sector and a resurgence in the uranium price.

USA, France and UK Nuclear Industries

There is positive news from the US nuclear industry where the House of Representatives approved the Advanced Nuclear Technology Act of 2017, on 23 January 2017, to bolster research on advanced nuclear reactors, allow for more challenges to Federal Energy Regulators and change the rules for federal energy efficiency standards (WNN 25 January 2017).

In France the French Nuclear Society (SFEN) state the country needs to maintain its nuclear power generation capacity to raise the share of electricity from renewables without increasing the cost of electricity production (WNN 23 February 2017). Steady investment in the nuclear fleet is needed to ensure the continued production of low carbon, competitive electricity and guarantee energy security for the nation.

The post Brexit UK's Nuclear Industry Association welcomed the government's Green Paper setting out its vision for a modern industrial strategy, including a focus on improving competitiveness and skills in the nuclear industry where 65,000 people are employed and generates 20% of its electricity. The Green paper goes on to state the UK is at the forefront of development of Small Modular Reactors (SMR) technology and could be an important part of ensuring the UK's nuclear industry realises its full economic and industrial potential.

British consultancy Llyod's Register say nuclear power is more competitive than fossil fuels (WNN 9 February 2017) with nuclear being one of the cheapest options for power generation when lifecycle costs are taken into account. Atomic Energy Agency (IAEA) director general Yukiya Amano told the World Government Summit in Dubai in February 2017 that nuclear power will play an important role in meeting the world's future energy needs (WNN 15 February 2017).

Australia Uranium Sector

In Australia the parliamentary Joint Standing Committee on Treaties on 7 February 2017 recommended ratification of a bilateral co-operation agreements that will permit the export of uranium to Ukraine, subject to the development of a contingency plan for the loss of regulatory control of the material.

Australia is the world's third largest uranium producer behind Kazakhstan and Canada. Four new uranium development projects at Yeelirrie, Kintyre, Wiluna and Mulga Rock in WA have gained state and federal environmental approvals to be developed when world prices improve (Nikkei Asian Review 22 January 2017).

Uranium Price Outlook

Spot prices of uranium dipped to a 13 year low late last year and have rebounded modestly in to around US\$28lb in mid March 2017. Uranium prices have remained weak since the 2011 tsunami in Japan that led to the shutdown of the country's 55 nuclear reactors. However, we believe uranium prices are set to head higher with 447 reactors supplying 2.5TWh of electricity to over 30 countries around the world and 59 new plants under construction. These new reactors, along with the established operating units, will put pressure on the demand for primary fuel supply in an environment of contracting supply.

2017 Outlook

Again, we are faced with limited cash resources and the Company will require a capital injection in the coming months. The Board are pursuing various options and avenues to complete the capital raising required in late March or April 2017.

The recent modest improvement in the uranium market sector along with the turnaround of the commodity's price has generated renewed interest in listed uranium stocks with a rebound in price and improved liquidity for most uranium companies.

Manhattan continues to build on its reported uranium resource base at Ponton in WA and prepare to advance its world class low cost uranium project as the sector regains investor confidence and the commercial outlook for new uranium mine developments improves.

The proposal to excise granted E28/1898 from the QVSNR to enable further exploration and evaluation of the Double 8, Stallion South, Highway South and Ponton uranium deposits remains a priority however, as stated, this proposal is unlikely to be advanced until the 11 March 2017 state election results are known and new Ministers appointed to relevant portfolios of Mines, Lands and Environment.

ALAN J EGGERS
Executive Chairman
14 March 2017

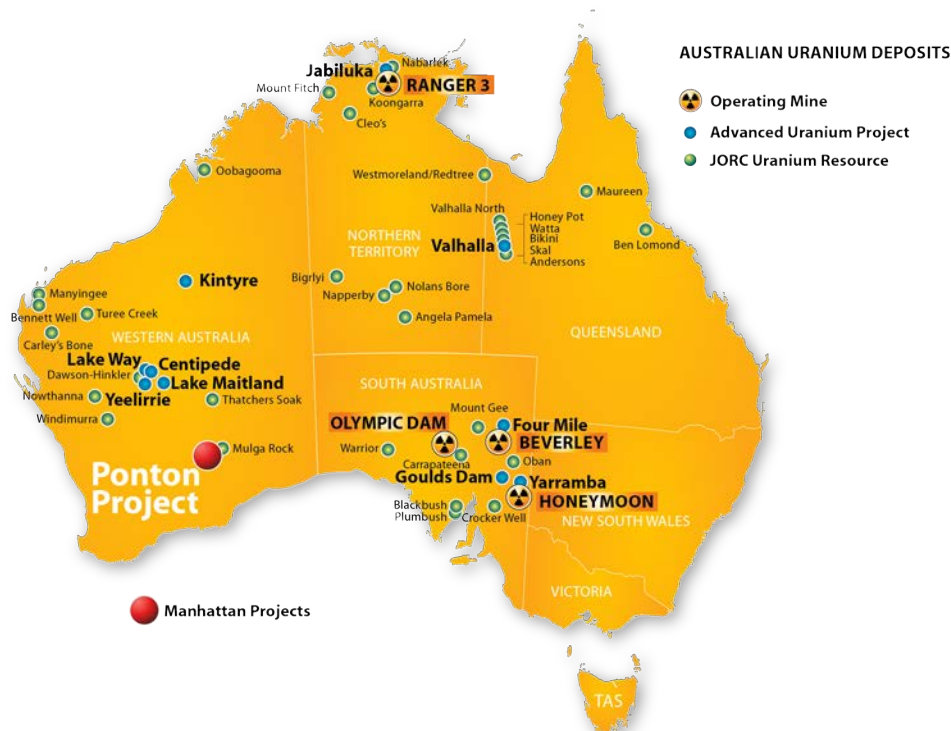
REVIEW OF OPERATIONS

INTRODUCTION

Manhattan Corporation Limited's ("Manhattan") flagship Ponton uranium project is located approximately 200km northeast of Kalgoorlie on the edge of the Great Victoria Desert in WA. The Company has 100% control of around 1,100km² of exploration tenements underlain by Tertiary palaeochannels within the Gunbarrel Basin. These palaeochannels are known to host a number of uranium deposits and drilled uranium prospects (Figures 1 & 2).

The Company is drill testing and developing palaeochannel sand hosted uranium mineralisation amenable to in-situ metal recovery ("ISR").

FIGURE 1: MANHATTAN'S PONTON URANIUM PROJECT



On 23 January 2017 Manhattan reported an upgraded JORC Code 2012 Inferred Resource for the Double 8 uranium deposit at Ponton in WA of 17.2 million pounds ("Mlb") of uranium oxide (" U_3O_8 ") at a 200ppm cutoff. As well, maiden JORC Code 2012 combined Inferred Resources estimates for three uranium deposits at Ponton of 21.5 million tonnes ("Mt"), grading from 137 to 151ppm U_3O_8 totalling 6.97Mlb U_3O_8 at a 100ppm cutoff were reported.

The four Inferred Resource estimates reported for Ponton project are:

- Double 8 uranium deposit of 17.2Mlb U_3O_8 at 200ppm cut off;
- Stallion uranium deposit of 3.3Mlb U_3O_8 at 100ppm cutoff;
- Highway uranium deposit of 1.9Mlb U_3O_8 at 100ppm cutoff; and
- Shelf uranium deposit of 1.8Mlb U_3O_8 at 100ppm cutoff

Exploration Results at Ponton, reported on 7 February 2014, have also identified four wide spaced drilled Exploration Targets with tonnage ranges of 4 to 45Mt, grade ranges of 250 to 450ppm U_3O_8 totalling 33 to 67Mlb U_3O_8 at the 200ppm U_3O_8 cutoff. In accordance with clause 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a Mineral Resource and it is uncertain if further exploration and drilling will result in the determination of a Mineral Resource.

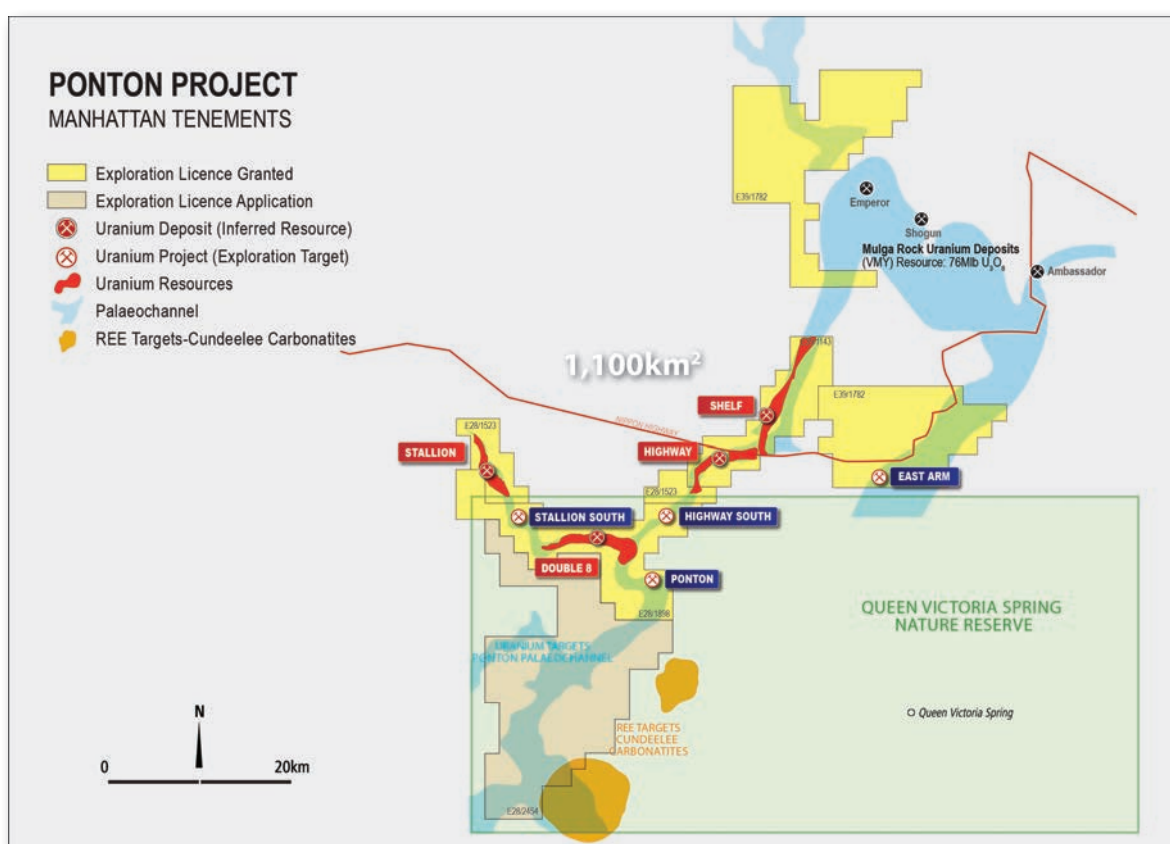
The four Exploration Targets reported for the Ponton project are:

- Double 8 of between 2.5 and 5.5Mlb 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

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

The Double 8 uranium deposit and the four Exploration Targets at Double 8, Stallion South, Highway South and Ponton are all located on granted exploration licence, E28/1898, located mostly within the Queen Victoria Spring Nature Reserve ("QVSNR") (Figures 2 & 3).

FIGURE 2: MANHATTAN'S PONTON TENEMENTS



The four Mineral Resource Estimates reported in January 2017, and the four Exploration Targets previously reported in 2014, are based on actual exploration results including Manhattan's aircore and sonic drilling of over 767 holes and 52,700 metres of drilling along the palaeochannels immediately to the north of QVSNR in 2009 and 2010, 21 holes and 1,170 metres of drilling by Manhattan in 2016 and over 70km of conductive palaeochannels defined by the Company's airborne EM and magnetic surveys within QVSNR (Figure 3) and uranium mineralised sands discovered in previous drilling of 114 holes and 6,900 metres of drilling and down hole gamma logging by PNC Exploration ("PNC") and Uranerz Limited ("Uranerz") in the area in the 1980's.

Manhattan is now seeking exploration access approval to exploration licence E28/1898 located mostly within the QVSNR. The licence was granted in August 2011. On gaining exploration access to E28/1898 Manhattan will recommence drill testing and evaluation of the Double 8 uranium deposit and the four Exploration Targets identified at Double 8, Stallion South, Highway South and Ponton prospects where resource definition drilling will underpin the future development of the project.

REVIEW OF PROJECTS

1. PONTON PROJECT (WA)

Interest: Manhattan 100%

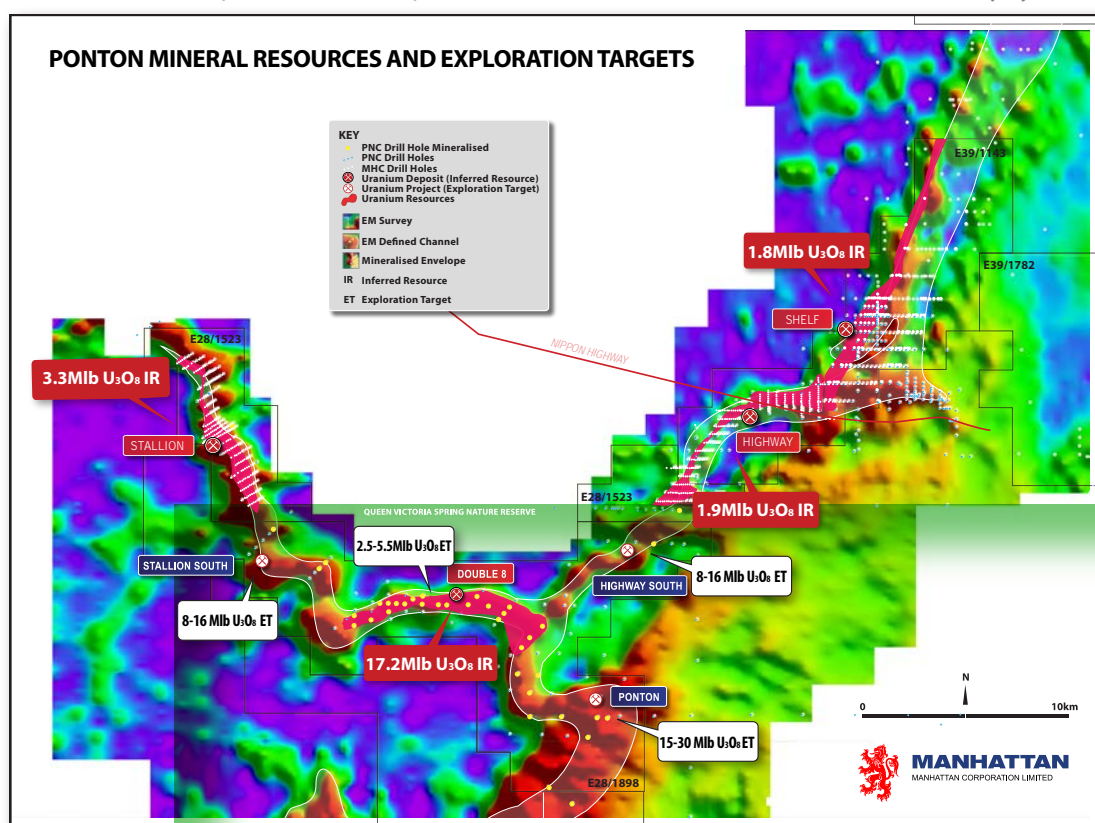
Operator: Manhattan Corporation Limited

The Ponton project area is underlain by Tertiary palaeochannels within the Gunbarrel Basin. Carbonaceous sand hosted uranium mineralisation, below 40 to 70 metres of cover, has now been defined by drilling along 55 kilometres of the palaeochannels at Stallion, Stallion South, Double 8, Ponton, Highway and Highway South prospects (Figure 3). At a depth of 40 to 70 metres the uranium mineralisation is in shallow reduced sand hosted tabular uranium deposits in a confined palaeochannel that is potentially amenable to ISR metal recovery, the lowest cost method of producing yellowcake with the least environmental impact.

Within E28/1898 approximately 6,900 metres of drilling, in 114 drill holes, was drilled and down hole gamma logged by PNC and Uranerz in 1983 to 1986. This drilling discovered the palaeochannel sand hosted uranium mineralisation at Double 8, Stallion South, Highway South and Ponton (Figure 3). Manhattan has obtained and compiled all the PNC and Uranerz exploration results including the geological drill logs, assay results, down hole gamma logs, logging tool calibrations and estimated disequilibrium factors. These drill logs and gamma logs have been digitised and verified by Manhattan's independent consultants.

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

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



2. DOUBLE 8 URANIUM DEPOSIT (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

DOUBLE 8 INFERRED RESOURCE ESTIMATES

An Inferred Resource of 7,800 tonnes (17.2Mlb) of uranium oxide at a 200ppm U₃O₈ cutoff for the Double 8 uranium deposit was reported on 23 January 2017. The reported resources are based on RC drilling by PNC in the mid 1980's. This information was prepared and first disclosed under the JORC Code 2004. This updated JORC Code 2012 resource estimate was prepared by H&SC.

Double 8 Inferred Resources

DOUBLE 8 INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE 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

H&SC's resource estimate for the Double 8 uranium deposit is based on approximately 2,706m of drilling from 44 aircore holes drilled by PNC in the early 1980's along 10 kilometres of the palaeochannel at Double 8 (Figure 3). The drilling has covered an area of approximately 9 x 1.2 km of the Ponton palaeochannel. 40 holes were successfully logged for uranium decay products using a down hole gamma radiometric probe. The original analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU₃O₈.

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

DOUBLE 8 EXPLORATION TARGET

The Double 8 Exploration Target, reported in January 2014, is based on 44 drill holes totalling approximately 2,700 metres of drilling and down hole gamma logs in areas of the deposit where drill spacing is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified a drilled Exploration Target with uranium mineralisation potential, at a 200ppm U₃O₈ cutoff, at Double 8 of 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 Exploration Target

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

In accordance with clause 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a Mineral Resource and it is uncertain if further exploration and drilling will result in the determination of a Mineral Resource.

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

On gaining exploration access to E28/1898, and approval of Manhattan's Program of Work ("POW") by the Department of Mines and Petroleum ("DMP"), the Company plans to complete approximately 200 aircore drill holes for 16,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel within the reported Inferred Resource area at Double 8. This drilling program, including the resource definition drilling planned for the Stallion South, Highway South and Ponton prospects, will be completed within approximately one year of POW approval (Figure 3).

3. STALLION (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

STALLION INFERRED RESOURCE ESTIMATES

An Inferred Resource of 1,490 tonnes (3.3Mlb) of uranium oxide at a 100ppm U_3O_8 cutoff for the Stallion uranium deposit was reported on 23 January 2017. The reported resources are based primarily on Manhattan's aircore and sonic drilling in 2010 and 2016. This JORC Code 2012 resource estimate was prepared by H&SC.

Stallion Inferred Resources

STALLION INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE eU_3O_8 (ppm)	TONNES (MILLION)	GRADE eU_3O_8 (ppm)	TONNES U_3O_8 (t)	POUNDS (MILLION) U_3O_8 (Mlb)
100	9.9	151	1,490	3.3
150	3.6	200	720	1.6
200	1.3	253	30	0.7

H&SC's resource estimate for the Stallion uranium deposit is based on a total of 252 drill holes totalling 18,746m of drilling including 7 aircore holes for approximately 401 metres of drilling by PNC in the early 1980s and Manhattan's 226 vertical aircore drill holes totalling 16,914m and 16 duplicate sonic drill holes totalling 1,179m of drilling along 8 kilometres of the palaeochannel at Stallion in 2009 and 2010 and 3 aircore holes for 252m, utilising improved high resolution gamma probe technology, drilled into the Stallion deposit twinning previously drilled Manhattan aircore and sonic drill holes in 2016 (Figure 3). Drilling has been completed on 200m and 400m spaced lines with holes drilled at 100m centres along each grid line across the palaeochannel within mineralised zones. All drill holes were gamma logged. The original PNC analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU_3O_8 .

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

4. HIGHWAY (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

HIGHWAY INFERRED RESOURCE ESTIMATES

An Inferred Resource of 860 tonnes (1.9Mlb) of uranium oxide at a 100ppm U_3O_8 cutoff for the Highway uranium deposit was reported on 23 January 2017. The reported resources are based primarily on Manhattan and Uranio's aircore and sonic drilling in 2009, 2010 and 2016. This JORC Code 2012 resource estimate was prepared by H&SC.

Highway South Exploration Target

HIGHWAY INFERRED RESOURCE ESTIMATES				
CUTOFF GRADE U_3O_8 (ppm)	TONNES (MILLION)	GRADE eU_3O_8 (ppm)	TONNES U_3O_8 (t)	POUNDS (MILLION) U_3O_8 (Mlb)
100	5.7	150	860	1.9
150	2.4	196	470	1.0
200	1.0	234	220	0.5

H&SC's resource estimate for the Highway uranium deposit is based on a total of 304 drill holes totalling 18,236m of drilling including 6 aircore holes for approximately 279 metres of drilling by PNC and 27 RC hole for approximately 1,378m of aircore and reverse circulation ("RC") drilling by Uranerz in the early 1980s, Uranio's 5 aircore holes totalling 381m in 2009, Manhattan's 260 vertical aircore drill holes totalling 15,832m and 3 duplicate sonic drill holes totalling 183m of drilling along 10 kilometres of the palaeochannel at Stallion in 2009 and 2010 and 3 aircore holes for 183m, utilising improved high resolution gamma probe technology, drilled into Highway twinning previously drilled Manhattan aircore and sonic drill holes in 2016 (Figure 3). Drilling has been completed on 200m and 400m spaced lines with holes drilled at 100m centres along each grid line across the palaeochannel within mineralised zones. All drill holes were gamma logged. The original PNC and Uranerz analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU_3O_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.

5. SHELF (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

SHELF INFERRED RESOURCE ESTIMATES

An Inferred Resource of 810 tonnes (1.8Mlb) of uranium oxide at a 100ppm U_3O_8 cutoff for the Shelf uranium deposit was reported on 23 January 2017. The reported resources are based on RC and aircore drilling by Uranerz in the mid 1980's and Manhattan and Uranio's aircore drilling in 2009 and 2010. This JORC Code 2012 resource estimate was prepared by H&SC.

Shelf Inferred Resources

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

H&SC's resource estimate for the Shelf uranium deposit is based on a total of 352 drill holes totalling 21,550m of drilling including 110 holes for approximately 5,871m of aircore and RC drilling by Uranerz in the early 1980's, Uranio's 15 aircore holes totalling 1,302m in 2009 and Manhattan's 227 vertical aircore drill holes totalling 14,377m in 2010 (Figure 3). Drilling has been completed on 200m and 400m spaced lines with holes drilled at 100m centres along each grid line across the palaeochannel within mineralised zones along 14 kilometres of the palaeochannel at Shelf in 2010. The original Uranerz analog gamma logging data has been digitized and recalibrated by the Company's consultants as digitized logs converted to eU₃O₈ and all the Uranio and Manhattan drill holes were gamma logged.

Apart from some shallow lignite hosted uranium mineralisation encountered at the central Shelf uranium deposit the geological controls and style of the channel sand hosted uranium mineralisation at Highway are similar to the mineralisation encountered at Double 8 and Stallion.

6. STALLION SOUTH (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

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

STALLION SOUTH EXPLORATION TARGET

The Stallion South Exploration Target, reported in January 2014, is based on 13 drill holes totalling approximately 780 metres of drilling and down hole gamma logs. This drilling, on approximately 400m x 3km centres along the palaeochannel, is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified a drilled Exploration Target with uranium mineralisation potential at a 200ppm U₃O₈ cutoff, for Stallion South of 12 to 24Mt grading 250 to 350ppm U₃O₈ containing 3,600 to 7,300 tonnes or 8 to 16Mlb of contained U₃O₈.

Stallion South Exploration Target

Stallion South Exploration Target				
CUTOFF GRADE U ₃ O ₈ (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE U ₃ O ₈ (ppm)	TONNAGE RANGE U ₃ O ₈ (t)	POUNDS RANGE(MILLION) U ₃ O ₈ (Mlb)
200	12-24	250 - 350	3,600 - 7,300	8 - 16

In accordance with clause 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a Mineral Resource and it is uncertain if further exploration and drilling will result in the determination of a Mineral Resource.

On gaining exploration access to E28/1898, and approval of Manhattan's POW by DMP, the Company plans to complete approximately 250 aircore drill holes for 20,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel at Stallion South. This drilling program, including the resource definition drilling planned for Double 8 and the Highway South and Ponton prospects, will be completed within approximately one year of POW approval (Figure 3).

7. HIGHWAY SOUTH (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

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

HIGHWAY SOUTH EXPLORATION TARGET

The Highway South Exploration Target, reported in January 2014, is based on 33 drill holes totalling approximately 1,980 metres of drilling and down hole gamma logs. This drilling, on approximately 400m x 2km centres along the palaeochannel, is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified drilled Exploration Targets with uranium mineralisation potential at a 200ppm U₃O₈ cutoff, for Highway South of 12 to 24Mt grading 250 to 350ppm U₃O₈ containing 3,600 to 7,300 tonnes or 8 to 16Mlb of contained U₃O₈.

Highway South Exploration Target

Highway South Exploration Target				
CUTOFF GRADE U ₃ O ₈ (ppm)	TONNAGE RANGE (MILLION)	GRADE RANGE U ₃ O ₈ (ppm)	TONNAGE RANGE U ₃ O ₈ (t)	POUNDS RANGE(MILLION) U ₃ O ₈ (Mlb)
200	12-24	250 - 350	3,600 - 7,300	8 - 16

In accordance with clause 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a Mineral Resource and it is uncertain if further exploration and drilling will result in the determination of a Mineral Resource.

On gaining exploration access to E28/1898, and approval of Manhattan's POW by DMP, the Company plans to complete approximately 250 aircore drill holes for 20,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel at Highway South. This drilling program, including the resource definition drilling planned for Double 8 and the Stallion South and Ponton prospects, will be completed within approximately one year of POW approval (Figure 3).

8. PONTON (WA)

Interest: Manhattan 100%

Operator: Manhattan Corporation Limited

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

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

PONTON EXPLORATION TARGET

The Ponton Exploration Target, reported in January 2014, is based on 24 drill holes totalling approximately 1,440 metres of drilling and down hole gamma logs. This drilling, on approximately 1km x 1km centres along the palaeochannel, is considered too wide to define a Mineral Resource to an inferred resource status.

Exploration Results have identified drilled Exploration Targets with uranium mineralisation potential, at a 200ppm U_3O_8 cutoff, for the Ponton prospect of 23 to 45Mt grading 250 to 350ppm U_3O_8 containing 6,800 to 13,600 tonnes or 15 to 30Mlb of contained U_3O_8 .

Ponton Exploration Target

Ponton Exploration Target				
CUTOFF GRADE U_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 17 of the JORC Code 2012, the potential quantity and grade reported as Exploration Targets in this report must be considered conceptual in nature as there has been insufficient exploration and drilling to define a Mineral Resource and it is uncertain if further exploration and drilling will result in the determination of a Mineral Resource.

On gaining exploration access to E28/1898, and approval of Manhattan's POW by DMP, the Company plans to complete approximately 300 aircore drill holes for 24,000 metres of infill resource definition drilling on 400 x 100m centres along the defined palaeochannel at the Ponton prospect. This drilling program, including the resource definition drilling planned for Double 8 and the Stallion South and Highway South prospects, will be completed within approximately one year of POW approval (Figure 3).



SUMMARY

The four Inferred Mineral Resources reported in January 2017 of over 24Mlb uranium oxide at Ponton, along with the Exploration Targets previously reported in 2014 of 33 to 67Mlb uranium oxide, in the contiguous palaeochannel deposits within Manhattan's project area at Ponton demonstrates potential of the project to host a world class ISR sand hosted uranium resource.

The sand hosted uranium mineralisation is located in shallow, 40 to 70 metres deep, contiguous palaeochannels along 55km of strike at Ponton. Manhattan's four granted Exploration Licences and one EL application over the prospective palaeochannels at Ponton cover an area of 1,100km².

It is envisaged that the mining method at Ponton will be in-situ metal recovery (ISR). At this early stage of the project, detailed mining parameters are yet to be determined. No field leaching tests or hydrogeological studies have been undertaken on site to date.

Tetra Tech's 2011 desktop scoping study confirms Manhattan's shallow near surface sand hosted palaeochannel uranium deposits at Ponton have potential to be viable, sustainable low cost ISR uranium producers with modest capital requirements to develop. Their report outlined an 872t U₃O₈ per annum ISR operation with an assumed recovery of 72.7%. No metallurgical test work has been completed but some preliminary mineralogical data was available.

As a potential ISR operation, no waste rock and minimal process residue will be generated. ISR is a minimal impact mining method and the main issue will be water management.

The Double 8 uranium deposit and the four Exploration Targets at Double 8, Stallion South, Highway South and Ponton are entirely within the Queen Victoria Spring Nature Reserve (QVSNR), where ministerial consent is required to undertake exploration activities, or the Reserve boundaries need to be modified by a Reserves Amendment Bill in the WA parliament to exclude the deposit and Exploration Targets from the Reserve to allow future exploration and development of the deposit.

Manhattan is continuing to meet with WA Ministers, their advisers and the DMP, to gain their support for a Reserves Amendment Bill that would excise our key exploration tenement from the QVSNR. The excision would allow ground access to E28/1898 for us to commence resource definition drilling on the Double 8 uranium deposit and the four Exploration Targets.

ALAN J EGGERS

Executive Chairman

14 March 2017

COMPETENT PERSON'S STATEMENT

The information in this report that relates to reported Exploration Results or Mineral Resources is based on information compiled by Mr Alan J Eggers, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Alan Eggers is a professional geologist and an executive director of Manhattan Corporation Limited. Mr Eggers has sufficient experience that is relevant to the style of mineralisation and type of mineral deposits being reported on in this report and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves "JORC Code 2012". Mr Eggers consents to the inclusion in this report of the information on the Exploration Results or Mineral Resources based on his information in the form and context in which it appears.

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 2016. 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 2016, after provision for income tax, amounted to \$125,845 (2015: \$281,199).

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 2 to 14 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, iron ore, 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 capitalisation 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 a director and Executive Chairman of unlisted Trans-Tasman Resources Limited (1 October 2014 to current), director of Ocean Technologies Limited (19 December 2014 to current), managing director of Wesmin Corporate 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 director of Energia Minerals Ltd (7 October 2014 to current) and was formerly a director of Sphere Minerals Limited (2 June 1999 to 17 November 2010), Tianshan Goldfields Limited (2 February 2009 to 13 November 2010), Forge Group Limited (4 June 2007 to 24 October 2013), Lemur Resources Ltd (8 November 2010 to 5 November 2013) and Style Ltd (17 May 2013 to 10 August 2015).

John A G Seton LLM(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. John is a director of Besra Gold Inc (17 November 2016 to current), ASX listed Wolfstrike Rentals Group Ltd (23 June 2016 to current) and unlisted Trans-Tasman Resources Limited (1 October 2016 to current), a former director of Besra Gold Inc (July 1999 to February 2012), former director and chairman of ASX listed Summit Resources Limited (until May 2007), Zedex Minerals Limited (resigned January 2010) and NZX listed SmartPay Limited (resigned January 2011). John holds or has held directorships in several companies listed on 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. Mr Seton also holds a number of private company directorships.

COMPANY SECRETARY**John Ribbons B.Bus., CPA, ACIS****COMPANY SECRETARY**

John Ribbons was appointed Company Secretary and Chief Financial Officer on 14 October 2016. John is a Chartered Secretary who has worked within the resources industry for over 20 years in the capacity of group financial controller, chief financial officer and company secretary. Mr Ribbons has extensive knowledge and experience with ASX listed exploration and production companies. He has considerable site based experience with operating mines and has been involved with the listing of a number of exploration companies on ASX. Mr Ribbons has experience of capital raising, ASX and TSX compliance and regulatory requirements. Mr Ribbons is currently a director of Montezuma Mining Company Ltd (14 July 2010 to current) and has not held any other directorships in the last three years.

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 2016. 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 2016.

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

Dated at Perth this 14 March 2017

ALAN J EGGERS

Executive Chairman



AUDITOR'S REPORT



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Manhattan Corporation Ltd

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 Ltd for the half-year ended 31 December 2016.

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 2016 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 Ltd, 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 Ltd 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 2016 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 Auditing

Graham R Swan FCA
Partner

Dated 14th March 2017



Chartered Accountants

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

AUDITOR'S DECLARATION



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.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 2016 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan FCA (Lead auditor)

Rothsay Auditing

Dated 14th March 2017



Chartered Accountants

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

DIRECTORS' DECLARATION

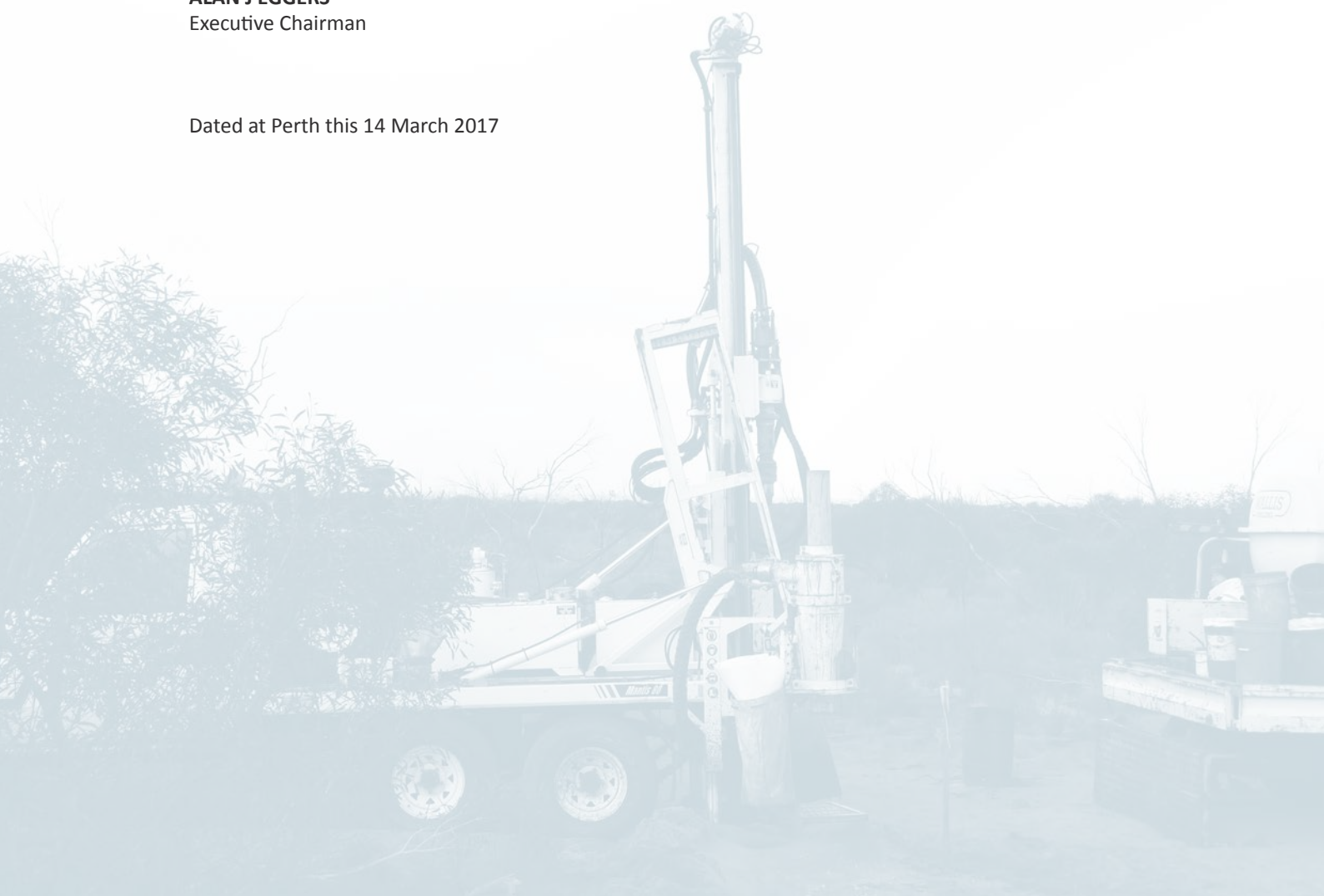
In the opinion of the Directors of Manhattan Corporation Limited:

- (a) the Financial Statements and Notes set out in pages 20 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the Half Year ended on that date; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

ALAN J EGGERS
Executive Chairman

Dated at Perth this 14 March 2017



FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	HALF YEAR ENDED 31 DECEMBER 2016 \$	HALF YEAR ENDED 31 DECEMBER 2015 \$
REVENUE FROM CONTINUING OPERATIONS			
Interest		2,311	1,627
Total Revenue		2,311	1,627
EXPENSES			
ASX and Share Registry Fees		(21,107)	(14,634)
Consultant Fee Expense		(18,460)	(14,880)
Corporate and Administrative Expenses		(47,853)	(55,672)
Employee Benefits Expense		(31,500)	(31,500)
Exploration Impairment		(7,000)	(174,699)
Finance Costs		-	(218)
Legal Fees		-	(3,825)
Rent Expenses		(2,236)	(3,545)
Loss Before Income Tax		(125,845)	(297,346)
Income Tax Benefit		-	16,147
Loss For The Half Year After Income Tax		(125,845)	(281,199)
Other Comprehensive Income		-	-
Total Comprehensive Loss for the Half Year Attributable to Members of Manhattan Corporation Limited		(125,845)	(281,199)
Basic And Diluted Loss Per Share (Cents)	3	(0.09)	(0.25)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	31 DECEMBER 2016 \$	30 JUNE 2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents		149,917	581,494
Trade and Other Receivables		114,618	110,827
Total Current Assets		264,535	692,321
NON CURRENT ASSETS			
Exploration and Evaluation Expenditure		5,417,037	5,122,934
Total Non Current Assets		5,417,037	5,122,934
TOTAL ASSETS		5,681,572	5,815,255
CURRENT LIABILITIES			
Trade and Other Payables		26,500	34,338
Total Current Liabilities		26,500	34,338
TOTAL LIABILITIES		26,500	34,338
NET ASSETS		5,655,072	5,780,917
EQUITY			
Contributed Equity	2	17,489,441	17,489,441
Reserves		4,857,328	4,857,328
Accumulated Losses		(16,691,697)	(16,565,852)
TOTAL EQUITY		5,655,072	5,780,917

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	CONTRIBUTED EQUITY	SHARE BASED PAYMENT RESERVE	LOSSES	TOTAL
BALANCE AT 1 JULY 2016	17,489,441	4,857,328	(16,565,852)	5,780,917
Total Comprehensive Loss	-	-	(125,845)	(125,845)
BALANCE AT 31 DECEMBER 2016	17,489,441	4,857,328	(16,691,697)	5,655,072
BALANCE AT 1 JULY 2015	16,893,633	4,857,328	(16,158,306)	5,592,655
Total Comprehensive Loss	-	-	(281,199)	(281,199)
BALANCE AT 31 DECEMBER 2015	16,893,633	4,857,328	(16,439,505)	5,311,456

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	HALF YEAR ENDED 31 DECEMBER 2016 \$ INFLOWS/(OUTFLOWS)	HALF YEAR ENDED 31 DECEMBER 2015 \$ INFLOWS/(OUTFLOWS)
Cash Flows From Operating Activities		
Interest Received	3,953	1,627
Payments To Suppliers And Employees	(128,994)	(155,621)
Net Cash Flows used in Operating Activities	(125,041)	(153,994)
Cash Flows From Investing Activities		
Payments for Exploration and Evaluation	(306,536)	(174,699)
Net Cash Flows Used in Investing Activities	(306,536)	(174,699)
Net Decrease in Cash and Cash Equivalents	(431,577)	(328,693)
Cash and Cash equivalents at the Beginning of the Half Year	581,494	439,291
Cash and Cash equivalents at the End of the Half Year	149,917	110,598

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

NOTES TO THE FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2016

1. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

This consolidated interim financial report for the Half Year ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Group as full financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Manhattan Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Impairment of Exploration and Evaluation Expenditure

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined by value in use calculations performed in assessing recoverable amounts and incorporate a number of key estimates.

Share Based Payment Transactions

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

New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the interim reporting period.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the Half Year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going Concern

The Group incurred a loss for the Half Year of \$125,845 (2015: \$281,199) and a net cash outflow from operating activities of \$125,041 (2015: \$153,994).

At 31 December 2016, the Group had cash assets of \$149,917 (30 June 2016: \$581,494) and working capital of \$238,035 (30 June 2016: \$657,938).

The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raisings and/or sale of interests in projects to continue to fund its operational activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. The entity expects to receive additional funds via further capital raisings and proceeds from the research and development tax incentive grant of approximately \$83,000.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

2. SEGMENT INFORMATION

The Group operates in one segment, being mineral exploration and the assessment of mineral projects in Australia.

3. EXPLORATION AND EVALUATION EXPENDITURE

	31 DECEMBER 2016 \$	30 JUNE 2016 \$
Exploration and evaluation expenditure	5,417,037	5,122,934

	HALF YEAR ENDED 31 DECEMBER 2016 \$	HALF YEAR ENDED 31 DECEMBER 2015 \$
Balance at 1 July	5,122,934	5,122,934
Expenditure incurred	301,103	174,699
Impairment	(7,000)	(174,699)
Balance at 31 December	5,417,037	5,122,934

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

4. CONTRIBUTED EQUITY

Ordinary Share Capital	2016 SHARES	2016 \$	2015 SHARES	2015 \$
As at 1 July	136,036,273	17,489,441	111,476,273	16,893,633
As at 31 December	136,036,273	17,489,441	111,476,273	16,893,633

There were no changes to ordinary share capital during the Half Year.

Options

	NUMBER OF OPTIONS	
	2016	2015
As at 1 July	18,000,000	15,000,000
Options cancelled, exercisable at \$0.10 on or before 28 November 2019	(2,000,000)	-
As at 31 December	16,000,000	15,000,000

5. DIVIDENDS

No dividend has been declared or paid during the period ended 31 December 2016.

6. CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or contingent assets as at 31 December 2016.

7. COMMITMENTS

There have been no significant changes to commitments since the last annual reporting date.

8. FAIR VALUE MEASUREMENT

There were no financial assets or liabilities at 31 December 2016 or 30 June 2016 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case of short term assets and liabilities, their carrying values approximate fair value.

9. EVENTS OCCURRING AFTER REPORTING DATE

Since 31 December 2016, 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.



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