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23 January 2018

Company Announcements Platform

MANHATTAN CORPORATION LIMITED

TO ACQUIRE TRANS-TASMAN RESOURCES LIMITED

Manhattan Corporation Limited (ASX:MHC) (**Manhattan** or **Company**) is pleased to announce it has entered into a binding merger implementation agreement (**MIA**) in relation to the acquisition of the assets and undertaking of unlisted New Zealand limited company Trans-Tasman Resources Limited (**TTR**), by means of an amalgamation under the New Zealand Companies Act (**Proposed Acquisition**).

- *Manhattan will acquire all the issued capital in TTR in return for the issue of approximately 706m Manhattan ordinary shares and 706m performance shares, implying a transaction value of approximately \$36.4m (based on the last traded price of Manhattan shares of \$0.026)*
- *TTR's most advanced project is its South Taranaki Bight (STB) iron sands project located 22km to 36km offshore from Patea of North Island NZ*
- *TTR has delineated a JORC (2012) Inferred and Indicated mineral resource for the STB iron sands project Mining Areas of 1043.1 Mt @ 11.28% Fe₂O₃ using a 3.5% DTR cut-off grade*
- *TTR has also delineated additional inferred and indicated mineral resources, in the adjacent STB area outside of the Mining Areas, of 2,137.2Mt @ 9.66 Fe₂O₃ available for future mine development*
- *TTR has in place necessary Minerals Mining Permits under the Crown Minerals Act (NZ) and Marine and Discharge Consents under the Continental Shelf (Environmental Effects) Act (NZ) 2012*
- *TTR's second project is the granted Prospecting Permit covering 4,436km² Westland Sands project off the West Coast of the South Island that is prospective for marine seafloor deposits of heavy iron-rich mineral sands known to host ilmenite, zircon, rutile, garnet and gold*
- *Transaction will be effected by way of an amalgamation under New Zealand law, and completion will be subject to requisite independent reports and approvals of the shareholders of both Manhattan and TTR*
- *Transaction will amount to a substantial change in the nature or scale of Manhattan's operations, and will therefore require re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules, in accordance with ASX Guidance Note 12*
- *On the merger the Company will be renamed TTR Corporation Limited and a minimum capital raising of \$4 million is contemplated by a prospectus issue* to new investors to fund the future exploration, mine development and working capital requirements of the Company*
- *This merger offers Manhattan shareholders, and new investors, exposure to the potential development of a world-class offshore titanomagnetite and heavy mineral sands mining projects*

** A prospectus for the issue will be made available when the securities are offered. The issuer under the prospectus will be Manhattan. Investors should consider the prospectus in deciding whether to acquire the securities. A copy of the prospectus is expected to be made available on the Manhattan website. Any investor who wants to acquire the securities will need to complete the application form that will be in or will accompany the prospectus*

1. Overview of the Proposed Acquisition

1.1 Trans-Tasman Resources Limited

TTR is a New Zealand limited company that was established in 2007 with the principal objective of exploring and developing the North Island's offshore titanomagnetite iron sand deposits.

TTR's most advanced project is its South Taranaki Bight (STB) iron sands project located 22km to 36km offshore from Patea in Taranaki. TTR's other project is the Westland Sands heavy mineral sands project, in respect of which it has been granted a Prospecting Permit covering potential high grade heavy mineral sand deposits located offshore from the West Coast of New Zealand's South Island.

Within the STB iron sands mine area TTR has reported a JORC mineral resource estimate for Mining Areas Stage 1 & 2 of 1,043.1Mt @ 11.28% Fe₂O₃ generating 74.6Mt concentrate at a grade of 56.31% Fe.

Adjacent to, and outside the STB mine areas, for the Kupe Blocks North and South TTR report a mineral resource of 655.3Mt @ 10.97% Fe₂O₃ generating 45.5Mt concentrate at a grade of 56.73% Fe.

Additional STB mineral resource estimates for the Area Outside Mining Areas Stage 1 & 2 (including the Kupe Blocks) has been reported using a 7.5% Fe₂O₃ (head) cut-off grade. At this cut-off grade the estimation reports an additional Inferred and Indicated mineral resource of 2,137.2Mt @ 9.66 Fe₂O₃

On 10 August 2017, TTR announced that the Environmental Protection Authority Decision Making Committee had approved the Company's application for Marine and Discharge Consents to recover and export iron sands offshore in the South Taranaki Bight. Several interest groups have subsequently appealed this decision to the High Court of New Zealand (**Appeals**). Fisheries, Maori and environmental groups who participated in the consents hearing have lodged appeals with the High Court in Wellington of the EPA's decision to grant Marine and Discharge Consents to TTR under the EEZ Act 2012. The Appeals are set to be heard from 16 to 19 April 2018. There is no set time frame for a decision on the Appeals, but usual practice is that decisions are issued within 2 to 3 months. Refer to section 5 of this Announcement for a summary of the risks associated with the Appeals.

TTR's second project is the granted Prospecting Permit covering 4,436km² Westland Sands project off the West Coast of the South Island.

The Permit extends from Hokitika in the south, to north of Karamea. It is located from one kilometre offshore out to the 12 nautical mile territorial limit. Previous exploration has identified potential for seafloor deposits of heavy mineral sands and precious metals in this area, with known onshore heavy mineral sand deposits such as Barrytown known to host ilmenite, zircon, garnet and gold. These deposits lie in water between 20 and 80 metres deep and could be extracted using the seafloor mining technology similar to that proposed for the offshore STB iron sands project.

Since inception TTR has spent more than NZ\$80 million on defining the resource potential, environmental assessment of the proposed mining areas and possible impacts of the mining, mine engineering and process design, ore marketing and the processing and shipping operations associated with the resource extraction and iron sands export operations in the South Taranaki Bight.

1.2 Manhattan Corporation Limited

Manhattan is a publicly listed uranium exploration and resource development company. Manhattan's flagship Ponton uranium project (**Ponton**) is located approximately 200km northeast of Kalgoorlie on the edge of the Great Victoria Desert in WA. The Company has 100% control of around 460km² 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.

The recently elected WA labor government's stated policy not to approve any new uranium mines, and previously stated policy of not allowing mineral exploration in A Class reserves, suggests there is little likelihood of progressing the exploration and development of Ponton over the four year term of the current WA government. Accordingly, Manhattan has been searching for alternative projects to generate a return for shareholders.

1.3 Material Terms of the Proposed Acquisition

Pursuant to the MIA, the Proposed Acquisition will be implemented by means of an amalgamation under the *Companies Act 1993* (NZ) (**Companies Act**) of TTR and a Manhattan wholly owned New Zealand subsidiary (**MNZ**).

Under the terms of the amalgamation MNZ will continue as the surviving amalgamated company and TTR shareholders will receive 3,611 new Manhattan ordinary shares and 3,611 new Manhattan performance shares for each TTR ordinary or preference share held prior to the amalgamation in consideration for the cancellation of their TTR shares as a result of the amalgamation becoming effective (TTR shares will not convert into shares in MNZ). Holders of TTR warrants will be offered replacement options in Manhattan, on equivalent terms under agreements (**Warrant Acquisition Deeds**) between Manhattan and each warrant holder.

The new Manhattan performance shares (which will not carry voting rights or rights to dividends or distributions) will convert into ordinary shares on a one-for-one basis if and when:

- (a) the Appeals are dismissed, Manhattan is satisfied, based on independent legal advice by appropriately qualified counsel, that the Marine and Discharge Consents are valid and that there are no further rights of appeal against the grant of the Marine and Discharge Consents, and any conditions imposed on the Marine and Discharge Consents are satisfactory to Manhattan in its reasonable discretion: or
- (b) (subject to the terms of issue) a change of control event occurs in respect of Manhattan.

Under the Companies Act the amalgamation only requires the approval of TTR shareholders by special resolution.

The key terms of the MIA are set out in Annexure 1 to this release.

1.4 Re-compliance with ASX Listing Rules Chapters 1 and 2

Since the Proposed Acquisition will result in a significant change to the nature of Manhattan's activities, the Proposed Acquisition will require Manhattan shareholders' approval under Listing Rule 11.1.2 and will also require Manhattan to re-comply with Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3.

Following completion of the Proposed Acquisition and the Capital Raising, it is expected that Manhattan will undertake a consolidation of its ordinary share capital on a 10 to 1 basis (**Consolidation**). Unless stated otherwise, all numbers in this Announcement are expressed on a pre-Consolidation basis.

1.5 Control Implications of the Proposed Acquisition

Alan J Eggers and his associates including Minvest Securities (New Zealand) Limited (**Minvest**), a party of which each of Manhattan directors Mr Alan Eggers and Mr John Seton is a director, controls approximately 17% of the voting securities in Manhattan and approximately 35% of the voting securities in TTR. Separately, Mr Eggers controls approximately 7% of the voting securities of Manhattan, and 8% of the voting securities in TTR, directly or through associated entities. Mr Seton, as a director of Minvest, has an interest in approximately 35% of the voting securities in TTR. As such, the Proposed Acquisition will increase the extent of Minvest's, Mr Eggers' and Mr Seton's voting power in Manhattan.

The table below sets out the predicted change in voting power of Messrs Eggers and Seton in Manhattan following completion of the Proposed Acquisition, based on the exchange ratio of 3,611 new Manhattan ordinary shares and

3,611 new Manhattan performance shares for every TTR share, and assuming the performance shares convert into ordinary shares.

Person	Current Voting Power in Manhattan	Current Interest in TTR ¹	Interest in Manhattan Following Completion of the Proposed Acquisition ¹
Mr Alan Eggers	33,420,947 shares ² = 23.66%	80,434 shares ³ = 41.12%	614,315,295 shares = 41.53%
Mr John Seton	24,002,976 shares ⁴ = 16.99%	68,574 shares ⁵ = 35.05%	519,244,404 shares = 34.93%

Notes:

1. Assumes all issued TTR options are exercised and participate in the Amalgamation, and Manhattan options issued to Minvest under the terms of Warrant Acquisition Deeds are (but Manhattan options held by other holders are not exercised).
2. Shares are held by Minvest (24,002,976 shares) of which Mr Eggers is a director, the Alan J Eggers Super Fund (8,301,515 shares) and Mr Eggers in his personal capacity (1,116,456 shares).
3. Shares are held by Minvest (67,574 shares, assuming all warrants are exercised) of which Mr Eggers is a director and the Alan J Eggers Super Fund (12,860 shares).
4. Shares are held by Minvest, of which Mr Seton is a director.
5. Shares are held by Minvest (67,574 shares, assuming all warrants are exercised) of which Mr Seton is a director and Mr Seton in his personal capacity (1,000 shares, assuming all warrants are exercised).

The Company notes that Manhattan shareholder approval will be sought to approve the increase in Messrs Eggers' and Seton's interests in Manhattan shares, in accordance with item 7 of section 611 of the Corporations Act and ASX Listing Rule 10.1. Manhattan will engage an independent expert to provide a report on the fairness and reasonableness of the Proposed Acquisition to the non-associated shareholders of Manhattan.

1.6 Governance and Other Matters

As Messrs Eggers and Seton are directors of both Manhattan and TTR, Manhattan has implemented an insider protocol (**Protocol**), which establishes a framework for communications between TTR and representatives of Manhattan and the consideration of the Proposed Acquisition by the Manhattan board, in order to avoid any actual or potential conflicts of interest, or otherwise appropriately control such conflicts.

The Protocol provides that Mr Marcello Cardaci (**Independent Director**), a Manhattan director with no personal interest or potential or perceived conflict in the Proposed Acquisition, has authority to consider, respond to and approve the Proposed Acquisition on behalf of Manhattan.

The Protocol provides that Messrs Eggers and Seton will not vote on any decision by the Manhattan board in relation to the Proposed Acquisition or any competing proposal.

The Independent Director believes that, through the Protocol, the Company has established satisfactory corporate governance procedures that appropriately limit the risk of any actual or perceived conflict of interest arising.

Subject to completion of the Proposed Acquisition and obtaining shareholder approval, it is expected that the Company will change its name to "TTR Corporation Limited".

2. Manhattan's Capital Structure

2.1 Capital Raising

Contemporaneously with the Proposed Acquisition, to facilitate Manhattan's re-compliance with Chapters 1 and 2 of the Listing Rules and to support its strategy post-completion of the Proposed Acquisition, Manhattan plans, subject to shareholder approval, to conduct a capital raising under a prospectus to raise a minimum of \$4 million (**Capital Raising**). The size, pricing and structure of the Capital Raising is yet to be determined and will depend on market conditions at the time of the raising. The Company has not yet determined whether the Capital Raising will be underwritten.

Manhattan has not yet mandated a lead manager(s) or broker to the Capital Raising, however will seek to make the necessary appointments early in 2018.

The funds raised under the Capital raising will be applied towards the following (assuming the minimum amount of \$4m is raised):

- (a) conducting airborne geophysical surveys at the Westland Sands project - \$500,000;
- (b) finalising the Appeals - \$350,000;
- (c) early work on a Bankable Feasibility Study of the South Taranaki Bight project - \$1,650,000; and
- (d) Proposed Acquisition costs, Capital Raising costs and working capital – \$1,500,000.

As set out above, the Company currently intends to spend the majority of funds raised commencing and advancing a Bankable Feasibility Study of the South Taranaki Bight project. While the Appeals are pending, the Company intends to moderate the rate of spending in order to minimise the potential for non-essential expenditure of funds.

Should the Appeals be unsuccessful, and if all other rights of appeal or review are exhausted, the Company would look to accelerate work on the development of the South Taranaki Bight project, and at that time may need to return to the market to raise additional funds.

If the Appeals are successful, with the result that the Marine and Discharge Consents are revoked or varied in a manner which precludes the Company from proceeding with developing the South Taranaki Bight project, the Company intends to use funds raised under the Capital Raising to reapply for the Marine and Discharge Consents and continue with its exploration and development of the Westland Sands project, and may seek to realise value for the South Taranaki Bight project, if that option is available.

Following completion of the Proposed Acquisition and the Capital Raising, Manhattan will have approximately \$3.5 million in working capital (based on the minimum subscription under the Capital Raising). This is considered to sufficient for the Company to achieve its stated objectives, as set out herein.

2.2 Indicative Share Capital Structure

Set out below is the indicative capital structure of the Company following completion of the Proposed Acquisition (pre Consolidation). The indicative capital structure of the Company is only an estimate and is subject to variation.

	Shares (Minimum Subscription \$4 million)	Shares (Maximum Subscription \$5 million)
Proposed Capital Raising		
Shares currently on issue	140,778,693	140,778,693
Options currently on issue	16,000,000	16,000,000
Shares issued at \$0.025 pursuant to the Capital Raising ¹	160,000,000	200,000,000
Shares on issue post Capital Raising	300,778,693	340,778,693
Options on issue post Capital Raising	16,000,000	16,000,000
Proposed Acquisition		
Shares issued to TTR Shareholders	706,393,465	706,393,465
Performance shares issued to TTR Shareholders	706,393,465	706,393,465
Options issued to TTR Shareholders	76,466,536	76,466,536
Indicative Capital Structure Following Proposed Capital Raising and Acquisition (pre-consolidation)		
Total shares on issue	1,007,172,158	1,047,172,158
Total performance shares on issue	706,393,465	706,393,465
Total options on issue	92,466,536	92,466,536

Notes:

1. As the structure and pricing of the Capital Raising is not yet known, for the purposes of the indicative capital structure it is assumed that Manhattan shares will be issued at \$0.025 per share, which compares to a last closing price on ASX on 10 January 2018 of \$0.026 per share.

2.3 Effect of the Proposed Acquisition on Manhattan's Consolidated Total Assets and Total Equity Interests

The principal effects of the Acquisition and Capital Raising (assuming the minimum subscription of \$4 million is raised) on the Company's consolidated statement of financial position will be:

- (a) current assets will increase by \$3.3 million, comprising the net proceeds of the Capital Raising and TTR's expected cash balance at completion of the Proposed Acquisition;
- (b) non-current assets will increase by approximately \$50 million comprising the fair value of TTR's non-cash assets, being primarily intangible assets comprising drilling technology and capitalised exploration and development expenditure and drilling technology; and

- (c) total equity interests will increase by a corresponding amount.

Annexure 2 sets out a pro forma statement of financial position for Manhattan, assuming completion of the Proposed Acquisition and the Capital Raising.

As previously stated, the Company intends to conduct the Capital Raising contemporaneously with the Proposed Acquisition. The pricing and structure of the Capital Raising is yet to be determined and will depend on market conditions at the time of the raising. Accordingly, the impact of the Capital Raising in the pro forma statement of financial information is an estimate only and is subject to change, depending on the market conditions at the time of the raising.

The Pro-Forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

2.4 Effect of the Proposed Acquisition on Manhattan's Revenue, Expenditure and Profit Before Tax

As a mineral exploration and development company, Manhattan does not have any meaningful revenue. As TTR has predominantly been engaged in exploration since its inception, it too has not generated any income (other than interest on cash at bank).

There will be no significant effect on the Company's consolidated statement of financial performance for the half year ended 31 December 2017, as the Proposed Acquisition will be completed after 31 December 2017.

The principal effects on the Company's consolidated statement of financial performance for the financial year ended 30 June 2018 are as follows:

- (a) the Company does not expect to generate revenues from operations or asset sales during the relevant period. Revenues may be increased by a small amount as a result of interest earned on the Company's cash balances;
- (b) expenditure will be increased by approximately \$0.2 million, comprised principally of expenses related to the Westland Sands project and general overhead (including legal fees incurred in connection with the Appeals) (amounts applied to the Bankable Feasibility Study for the South Taranaki Bight project are expected to be capitalised and therefore will not (subject to the outcome of impairment testing as and when required) appear in the income statement as an expense); and
- (c) net profit (loss) is expected to be in line with the increased expenditure outlined above, with a small increase in revenue as a result of interest earned on the Company's enhanced cash balances.

2.5 No Recent Issue of Securities

The Company has not issued securities in the 6 months preceding the date of this Announcement.

The table below summarises the securities issued by TTR in the 6 months preceding the date of this Announcement.

Date	Nature of Issue	Consideration	Underwriting Details	Amount Raised and Purpose
July 2017	Placement	Cash and investor finders fees	N/A	NZ\$800,025 for costs of the Appeals and working capital

Date	Nature of Issue	Consideration	Underwriting Details	Amount Raised and Purpose
August/September 2017	Placement	Cash and capital raising fees	N/A	NZ\$587,025 for costs of the Appeals and working capital
October/November 2017	Placement	Cash	N/A	NZ\$527,000 for costs of the Appeals and working capital

2.6 Board and Management

Manhattan intends to maintain its current Board following completion of the Proposed Acquisition.

Subject to the completion of the Proposed Acquisition, it is anticipated that the amalgamated New Zealand entity will retain its current executive team.

3. Indicative Timetable

Event	Date ¹
Despatch notice of general meeting to Manhattan shareholders	9 March 2018
Despatch notice of general meeting to TTR shareholders	9 March 2018
Lodge prospectus with ASIC and ASX	9 March 2018
Opening date of the Capital Raising	19 March 2018
General meeting of Manhattan shareholders to approve Proposed Acquisition	10 April 2018
General meeting of TTR shareholders to approve the amalgamation	10 April 2018
Closing date of the Capital Raising	24 April 2018
Settlement date	28 May 2018
Re-quotation date	30 May 2018

Notes:

1. This timetable is indicative only and has not been endorsed by ASX. Actual dates will be subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, and the Company reserves the right to vary any and all of the above dates without notice.

4. TTR's Business Model

4.1 Overview of TTR's Business Model

TTR is focused on the exploration and development of New Zealand's offshore mineral sand deposits. TTR's most advanced project is its South Taranaki Bight iron sands project with Minerals Mining Permit 55581 located 22km to 26km offshore from Patea. TTR's other project is the Westland Sands project, which has a granted Prospecting Permit covering potential high-grade heavy mineral sand deposits offshore along the west coast of the South Island.

TTR's strategy is to develop the South Taranaki Bight project and the Westland Sands project into profit generating mining enterprises. The two projects are outlined in greater detail below.

4.2 South Taranaki Bight

TTR holds a Minerals Mining Permit (No. 55581) (**STB Permit**) under the Crown Minerals Act (NZ), for a term of 20 years which expires 2 May 2034, as well as a 635km² Minerals Exploration Permit (No. 54068), which was granted in 2013 for two 5 year terms. TTR, as its priority right, has lodged an application with New Zealand Petroleum and Minerals (**NZPM**) for the second term, being an extension of duration for Mineral Exploration Permit 54068. TTR's extension of duration application for 54068 is for an exploration permit to appraise a discovery as per Section 35A of the Crown Minerals Act (NZ). An exploration permit to appraise a discovery provides an additional 4 year term, with a right of renewal to further extend the term. There is no time frame in which NZPM is obliged to process an application, however TTR expects this application to be granted by Q2 of 2018.

As noted above and discussed further in Section 5, the grant of the Marine and Discharge Consents has been appealed by several interest groups who participated in the initial hearing. The Appeals are set to be heard from 16 to 19 April 2018. There is no set time frame for a decision on the Appeals, but usual practice is that decisions are issued within 2 to 3 months. There is a risk that the Company will lose the Appeals, in which case it can reapply to the EPA for the Marine and Discharge Consents whilst accelerating its investment on the Westland Sands project discussed below.

The initial mining project area is off the coast of Patea in water depths of 20 to 42m. It is within New Zealand's Exclusive Economic Zone (**EEZ**). Decisions about the EEZ area are governed by the Continental Shelf (Environmental Effects) Act 2012, also known as the EEZ Act 2012. Applications for Marine and Discharge Consents are considered by the Environmental Protection Agency (**EPA**).

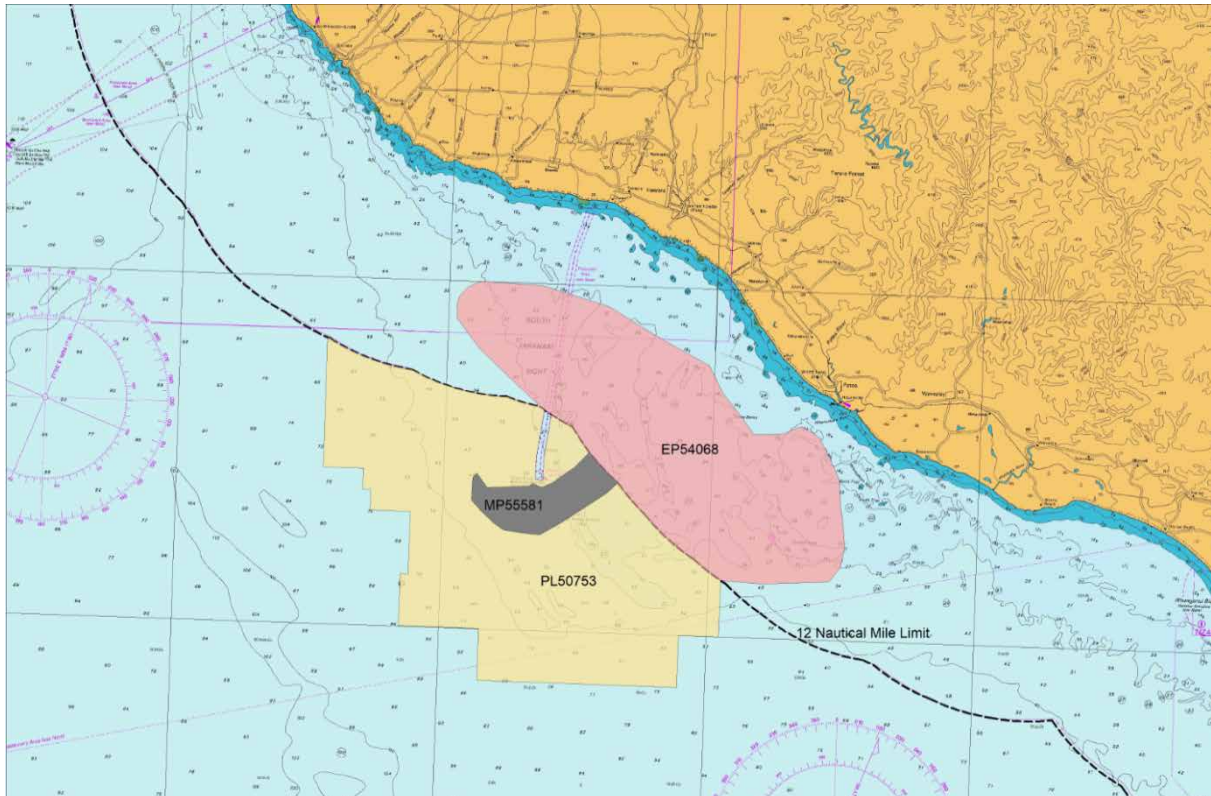


Figure 1: location of the South Taranaki Bight project.

The purpose of the project is to extract, process and export iron sands from the seabed, offshore in the South Taranaki Bight. Within the mining permit area, the known and anticipated concentration of recoverable iron sands within the seabed material is, on average, approximately 10% magnetics. The iron sands concentration of 10% means that seabed material must be brought to the surface and processed to increase its concentration before export.

The sands will be processed offshore aboard a purpose built integrated mining vessel (**IMV**). This vessel is designed to operate through almost all known weather conditions in the South Taranaki Bight. The iron sand will be extracted by remote controlled seabed crawler, excavating up to 8,000t hour, similar to those operated by DeBeers Marine offshore Namibia to recover diamonds. The IMV will have a purpose built metallurgical processing plant on board producing titanomagnetite concentrate that will be transferred, at sea, to Cape Size vessels for export.

The excavated material is pumped to the IMV where it is subject to various processes to extract and increase the iron ore concentrate to around 56% Fe. The processes include medium- and low-intensity magnetic separation and a series of mechanical processes, culminating in the collection of iron ore sand concentrate. The 90% fraction of non-ore bearing material is returned in a controlled manner to the seabed via a discharge pipe from the IMV.

The iron ore concentrate is then pumped to a floating storage and offloading vessel, via a 70 to 110 metre floating slurry line, before it is transferred to export vessels.

Iron ore is primarily used in the production of steel. TTR's main market will be China, which, in 2016, imported over 1 billion tonnes of iron ore, two-thirds of the total exported iron ore, and produced over 800 million tonnes of steel in 2016, nearly half of all steel produced in the world. To assist in marketing the ore TTR has a marketing agreement with a reputable international commodity metals and minerals trading group as well as having received direct interest in its production from Chinese steel companies.

Independent expert economic assessment of the South Taranaki Bight project indicates the operation will add to the diversification of the Taranaki economy and generate local, regional and national economic benefits through employment and training, royalties, and taxes. Locally, approximately 300 direct jobs will be created, supporting over 1,600 jobs nationally and generating an additional \$350m in expenditure every year.

4.3 Mineral Resource Estimates

The following summary of the Resource estimates for the South Taranaki Bight project is extracted from the report prepared by TTR in July 2015 in accordance with the JORC Code 2012. A copy of the report is attached to this Announcement at Annexure 3.

A Davis Tube Recovery (DTR) and Concentrate Grade estimation has been reported over Mining Areas Stage 1 & 2 and Kupe Blocks North and South using a 3.5% DTR cut-off grade are summarised in Table 1.

Within the proposed STB mine area TTR has reported a mineral resource estimate for Mining Areas Stage 1 & 2 of 1,043.1Mt @ 11.28% Fe₂O₃ generating 74.6Mt concentrate at a grade of 56.31% Fe.

Adjacent to, and outside the STB mine areas, for the Kupe Blocks North and South TTR report a mineral resource of 655.3Mt @ 10.97% Fe₂O₃ generating 45.5Mt concentrate at a grade of 56.73% Fe.

Additional STB mineral resource estimates for the Area Outside Mining Areas Stage 1 & 2 (including the Kupe Blocks) has been reported using a 7.5% Fe₂O₃ (head) cut-off grade. At this cut-off grade the estimation reports an additional Inferred and Indicated mineral resource of 2,137.2Mt @ 9.66 Fe₂O₃.

Table 1 – Summary

STB Mineral Resource Estimates	Mineral Resources			Concentrate	
	Cut-Off Grade	Mt	Fe₂O₃%	Mt	Fe%
Mining Areas Stage 1 & 2	3.5% DTR*	1,043.1	11.28	74.6	56.31
Kupe Blocks North & South	3.5% DTR*	655.3	10.97	45.5	56.73
Area Outside Mining Areas Stage 1 & 2	7.5% Fe ₂ O ₃	2,137.2	9.66		

- DTR is Davis Tube Recovery of the magnetic fraction of the sample

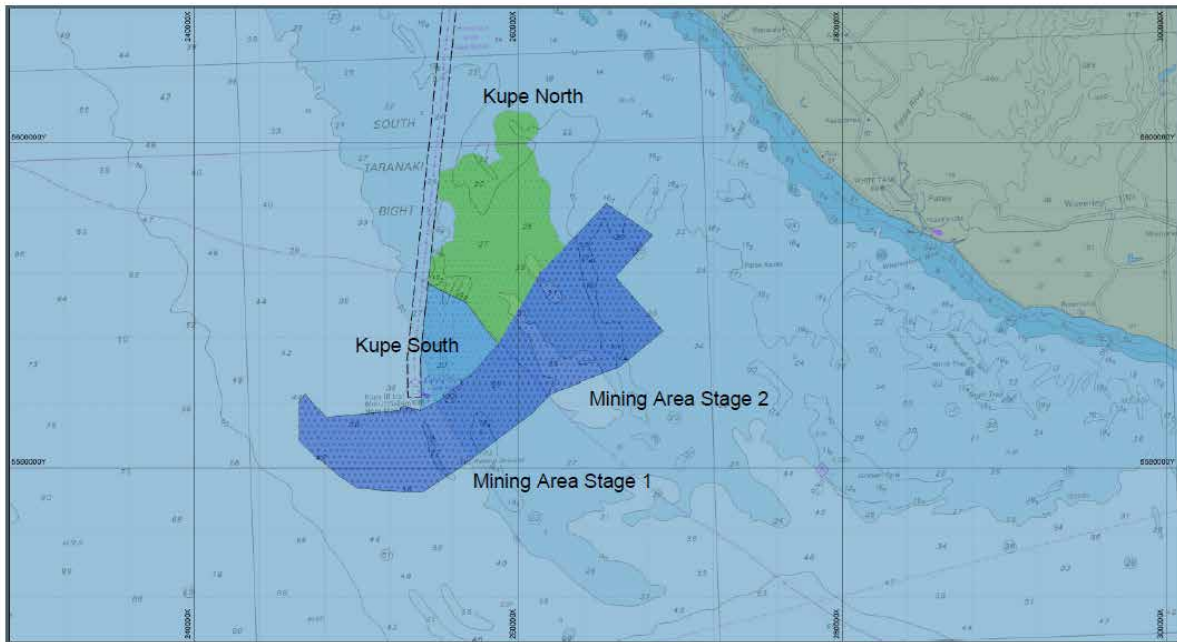


Figure 2: map identifying the proposed mine area and the Kupe Blocks

The Figure 4 below summarises the tonnage and head grades estimates for the proposed STB Mining Areas Stage 1 & 2.

	Domain	Mt	Fe ₂ O ₃	DTR	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC(%)	Mt DTR Concentrate
Indicated	1	166.8	12.13	7.90	10.63	52.76	1.22	10.92	1.06	5.68	0.21	0.22	2.68	94.19	13.2
	3	468.8	11.83	7.70	12.64	51.23	1.21	10.94	1.15	5.40	0.21	0.26	2.19	97.88	36.1
	6	314.3	10.03	6.00	13.00	52.47	1.02	11.31	1.14	4.95	0.19	0.24	2.67	95.67	18.9
	7	69.8	10.80	6.48	10.72	48.38	1.05	14.45	0.95	6.10	0.21	0.23	4.38	85.64	4.5
	9	3.9	8.26	4.66	14.16	53.64	0.82	11.04	1.23	4.48	0.17	0.23	2.59	98.38	0.2
Indicated Total		1023.6	11.24	7.12	12.30	51.67	1.14	11.29	1.12	5.35	0.20	0.25	2.57	95.76	72.9
Inferred	1	12.8	14.36	10.27	9.28	51.94	1.49	10.37	0.96	5.29	0.21	0.19	3.47	92.84	1.3
	3	0.0	10.99	7.10	12.72	52.01	1.12	11.10	1.12	5.01	0.20	0.25	2.57	96.04	0.0
	6	3.4	9.15	4.74	14.00	50.74	0.90	12.80	1.11	5.56	0.20	0.27	2.32	92.56	0.2
	7	3.3	12.70	8.51	9.75	47.93	1.32	14.43	0.81	7.54	0.25	0.23	3.34	86.82	0.3
	Inferred Total		19.6	13.15	8.99	10.19	51.03	1.36	11.51	0.96	5.73	0.22	0.21	3.24	91.73
Total		1,043.1	11.28	7.15	12.26	51.66	1.14	11.30	1.12	5.36	0.20	0.25	2.58	95.69	74.6

Figure 4: 2015 Tonnage and Head Grades (%) – Proposed Mine Areas (Stage 1 and Stage 2) – 3.5% Davis Tube Recovery Cut-Off Grade.

4.4 Development Strategy and Funding

TTR's immediate focus in the development of the STB project is to refine the details of the Feasibility Study to a point where the Final Investment Decision can be reached, ideally sometime within 12 to 18 months after the Appeals are dealt with. The Company will then be looking at the Engineering, Procurement and Construction Management stage of the development with its partners.

Throughout this time TTR will be seeking the best and most appropriate way to fund the development possibly through a combination of debt and equity, including sources such as, but not limited to, introducing new investors, private and market placements, and structured project finance from local and/or foreign banks.

4.5 Westland Sands Project

TTR's 4,436km² Prospecting Permit 600021 located offshore along the West Coast of the South Island was granted in July 2016 for a period of two years (with rights of renewal for a further two years as a prospecting permit). The

permit area is known from previous mineral exploration activity to be prospective for marine seafloor deposits of heavy iron-rich mineral sands known to host ilmenite, zircon, rutile, garnet and gold (Figure 5).

The Permit extends from Hokitika in the south, to north of Karamea. It is located from one kilometre offshore out to the 12 nautical mile territorial limit. Previous exploration has identified potential for seafloor deposits of heavy mineral sands and precious metals in this area, with known onshore heavy mineral sand deposits such as Barrytown.

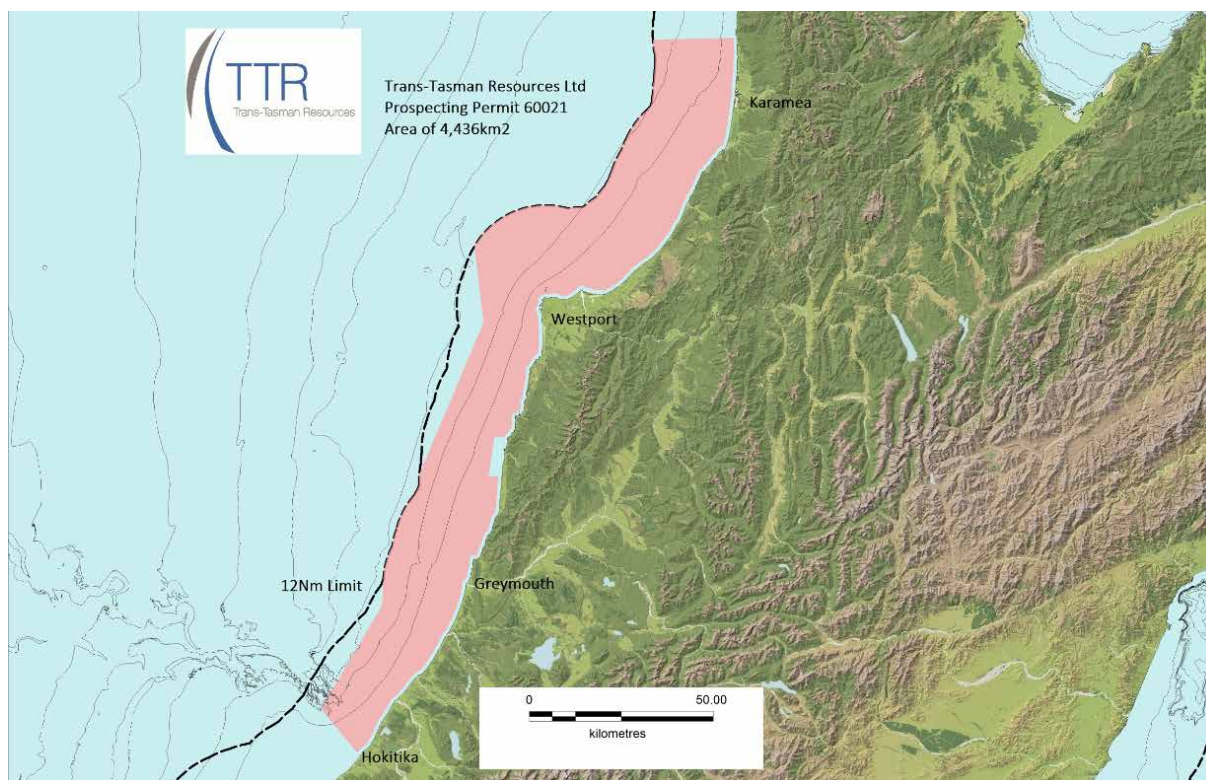


Figure 5: location of the Westland Sands project.

TTR's exploration activities will focus on developing offshore mineable resources of heavy mineral sands known to host ilmenite, zircon, garnet and gold. These deposits lie in water between 20 and 80 metres deep and could be extracted using the seafloor mining technology similar to that proposed for the offshore South Taranaki Bight iron sands project.

Seabed mining of this kind is well established internationally. Sophisticated environmentally sensitive processes and technologies have been developed for operations offshore South Africa and Namibia. TTR's South Taranaki Bight project has built on these mature processes and technologies to develop a New Zealand-focused operation with low environmental impact.

TTR will be using seafloor drilling technology, exploration, geological, engineering and permitting expertise developed for that project to assess the potential of the Westland Sands resources. Further, TTR will liaise closely with relevant authorities and all key stakeholders, ensuring our activities comply with all requirements of the Resource Management Act 1991.

Due to funding constraints TTR has yet to commit to the offshore airborne geophysical survey in 2018, required to advance target selection for resource definition drilling of the near-shore heavy mineral deposits. Part of the funds raised in the Capital Raising will be applied for that purpose.

5. Key Risks and Dependencies

The risk factors in this section should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. There are specific risks which relate directly to the Company's and TTR's business. In addition, there are other general risks, many of which are largely beyond the control of the Company. The risk factors, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of its securities. For the purposes of this section 5, it is assumed that the Proposed Acquisition has been effected and Manhattan has acquired all assets and undertakings of TTR.

5.1 Key Risks and Dependencies of TTR's Business

The key risks and dependencies of the Company's business can be summarised as follows:

- (a) **Tenements:** In order for the Company's Mineral Mining Permits and Prospecting Permit (**Permits**) to be held and renewed, the Company must satisfy the mineral legislation in New Zealand and comply with the conditions imposed on the Permits such as minimum work programme requirements and environmental standards. There is no guarantee that the Government of New Zealand will not make material changes to the mineral legislation or that Permit approvals or renewals will be given as a matter of course or on similar economic terms. There is no guarantee that any Permits the subject of a renewal application in the future will be granted.
- (b) **Title:** The Company could lose its interest in or its title to its Permits if Permit conditions are not met, if insufficient funds are available to meet expenditure conditions, or if the New Zealand Minister of Energy and Resources is not satisfied that, following the change of control, the Permit holder has the financial capability to meet its obligations under the Permit. Each Permit has an expiry date, so there is a risk that the Company may also lose its interest in or its title to Permits if the term of each such Permit is not renewed or extended by the New Zealand Minister of Energy and Resources after expiry.
- (c) **Marine and Discharge Consents:** Fisheries, Maori and environmental groups who participated in the consents hearing have lodged appeals with the High Court in Wellington of the EPA's decision to grant Marine and Discharge Consents to Trans-Tasman Resources Limited under the EEZ Act 2012. The Appeals are set to be heard from 16 to 19 April 2018. There is no set time frame for a decision on the Appeals, but usual practice is that decisions are issued within 2 to 3 months. There is no guarantee that the Company will win the Appeals. Further, if the Company wins the Appeals, the High Court's decision can be appealed to the Court of Appeal and on further appeal to the Supreme Court, in each case, only with leave of the Courts.

There is a risk that the Company will incur significant legal fees if there are subsequent appeals to the Court of Appeal and Supreme Court. Further, if the Company is ultimately unsuccessful in retaining the Marine and Discharge Consents, it will not be able to extract and process iron sand at its South Taranaki Bight project and will be required to refocus its attention on the Westland Sands project.
- (d) **Reliance on Key Personnel:** The Company's success depends to a significant extent upon its key personnel, including those engaged on a contractual basis. In the event that there is a loss of key personnel, the Company may not be able to locate or employ individuals with suitable qualifications and experience to operate in New Zealand on acceptable terms.
- (e) **Safety and Industrial Accidents:** The exploration for and extraction of offshore iron sands and mineral sands involves the operation of heavy machinery in a marine environment. This carries with it an increased safety related risk. The Company has policies and procedures in place in relation to safe work practices. Despite the relevant safeguards, there is no guarantee that a serious accident will not occur in the future. A serious accident may negatively impact the financial performance and/or financial position of the Company.

- (f) **Uncertainty of Future Profitability:** The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance. The Company expects to make losses in the foreseeable future. Factors that will determine the Company's future profitability are its ability to extract iron sands and mineral sands, the prevailing market prices of those commodities and the actions of competitors and regulatory developments. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such profitability (or loss) cannot be predicted and may vary significantly from period to period.
- (g) **Iron Ore Price Volatility:** Commodity prices fluctuate and are affected by many factors beyond the control of the Company, including international supply and demand, the level of consumer product demand, technological advancements, forward selling activities, weather conditions, the price and availability energy, actions taken by governments and global economic and political developments. Iron ore prices have fluctuated in recent years and may continue to fluctuate significantly in the future. Fluctuations in iron ore prices, and, in particular, a material decline in the iron ore price, may have a material adverse effect on the Company's business, financial condition and results of operations.
- (h) **Additional Requirements for Capital and Dilution Risk:** The Company's capital requirements depend on numerous factors. The Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.
- (i) **Development and Operational Risks:** By its very nature, the development of an offshore mining facility contains significant risks with no guarantee of success. The ultimate economic development of a mineral deposit is dependent on many factors, including the ability to access adequate capital for project development, obtaining regulatory consents and approvals necessary for the conduct of development and production and securing access to competent operation management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Further, once established, mining operations can be impacted by a number of factors, including geological and weather conditions causing delays and interference to operations, access to necessary funding, metallurgical issues, mechanical failure of plant and equipment, shortages or increases in price of consumables and plant and equipment, environmental hazards, fires, explosions and other accidents.

Similarly, all production costs, particularly labor, fuel and power, are a key risk and have the potential to adversely affect the Company's profitability. If the Company develops mining operations and these are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect the Company's profitability, the value of the Company's projects and in turn, the value of its shares.

- (j) **Economic Risks:** General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:
- (i) general economic outlook;
 - (ii) interest rates and inflation rates;
 - (iii) currency fluctuations;
 - (iv) changes in investor sentiment toward particular market sectors;

- (v) the demand for, and supply of, capital; and
 - (vi) terrorism or other hostilities.
- (k) **Securities Price fluctuation:** The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.
- (l) **Share Market Risk:** The market price of the Company's shares could fluctuate significantly. The market price of the Company's shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.
- (m) **Litigation Risk:** The Company is subject to litigation risks, including by virtue of the Appeals. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.
- (n) **Insurance:** The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

5.2 Key Risks and Dependencies of the Company in Relation to the Proposed Acquisition

The key risks and dependencies of Manhattan in relation to the Proposed Acquisition can be summarised as follows:

- (a) **Completion Risk:** Pursuant to the MIA, the Company has agreed to acquire 100% of the issued share capital of TTR, completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the Proposed Acquisition will not be fulfilled and, in turn, that completion of the Proposed Acquisition does not occur. If the Proposed Acquisition is not completed, the Company will incur costs relating to advisors and their costs without any material benefit being achieved.
- (b) **Re-quotations of Shares on ASX:** As a result of the change in nature and scale of Manhattan's activities arising from the Proposed Acquisition, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. It is expected that the Company's securities will be suspended from the date of the Company's general meeting to be convened to seek shareholder approval of the Proposed Acquisition and related matters and remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules and complies with any further conditions ASX may impose on such reinstatement.

- (c) **Liquidity Risk:** On completion of the Proposed Acquisition, the Company's issued share capital will increase following the issue of shares in connection with the Proposed Acquisition and the Capital Raising. However, there is no assurance that the liquidity of the Company's shares will improve.
- (d) **Marine and Discharge Consent Risk:** Pursuant to the MIA, the consideration for the Proposed Acquisition is 3,611 new Manhattan ordinary shares and 3,611 new Manhattan performance shares for each TTR Share. The new Manhattan performance shares (which will not carry voting rights or rights to dividends or distributions), will convert into ordinary shares if and when: the Appeals are dismissed, Manhattan is satisfied, based on independent legal advice by appropriately qualified counsel, that the Marine and Discharge Consents are valid and that there are no further rights of appeal against the grant of the Marine and Discharge Consents, and any conditions imposed on the Marine and Discharge Consents are satisfactory to Manhattan in its reasonable discretion; or a change of control event occurs in respect of Manhattan. There is a risk that the Appeals are successful and the Marine and Discharge Consents are not valid, meaning the Company will be unable to immediately advance the South Taranaki Bight project and Trans-Tasman Resources will need to reapply for the Consents to the EPA, and the performance shares will not convert. If the performance shares do convert, Manhattan shareholders will be proportionately diluted.

6. Further Information

6.1 TTR Accounts

ASX Guidance Note 12 requires an announcement of the nature of this release to include a copy of the target's (i.e. TTR's) accounts to be included with Manhattan's application for re-admission under Listing Rule 1.3.5(b), or a link to where they can be viewed and downloaded.

TTR is not obliged, under New Zealand law, to prepare either annual or half-yearly audited or reviewed accounts, but has adopted a practice of preparing annual audited accounts to provide an appropriate level of transparency and accountability to shareholders. TTR has a December 31 financial year end. TTR's audited accounts for the financial years ended 31 December 2015 and 31 December 2016 can be viewed and downloaded at Manhattan's website, www.manhattancorp.com.au.

A pro forma statement of financial position, assuming completion of the Proposed Acquisition and the Capital Raising, is included in Annexure 2 to this Announcement.

If the Proposed Acquisition proceeds in accordance with the indicative timetable in section 3 of this Announcement, Listing Rule 1.3.5(b) stipulates that the accounts submitted with Manhattan's application for re-listing must comprise TTR's audited financial accounts for FY 2017 and 2016. TTR's audited accounts for the financial year ended 31 December 2017 are not yet available, but will be included in the prospectus to be issued in respect of the Capital Raising.

6.2 Board Enquiries

In determining whether to proceed with the Proposed Acquisition, Manhattan has:

- (a) undertaken a desktop review of relevant due diligence information regarding TTR's assets and liabilities, financial position and performance, profits and losses, and prospects;
- (b) reviewed the content of legal advice regarding the Appeals;
- (c) reviewed the terms of the Marine and Discharge Consents and supporting material; and
- (d) sought legal advice in relevant jurisdictions regarding Proposed Acquisition.

Having regard to the enquiries note above, the Independent Director is satisfied that the Proposed Acquisition represents an attractive opportunity for Manhattan and its security holders. The Independent Director also notes that an independent expert will provide an opinion on whether the Proposed Acquisition is fair and reasonable from the perspective of non-associated Manhattan shareholders and that completion of the Proposed Acquisition is conditional upon receipt of report in those terms.

6.3 Manhattan Shareholder Approvals

A notice of meeting seeking shareholder approval for the resolutions required to give effect to the Proposed Acquisition will be sent to Manhattan shareholders in due course. It is expected that Manhattan will convene a general meeting of members in April 2018 to facilitate shareholder approval for matters in respect of the Proposed Acquisition.

Those matters include:

- (a) the Company's change of name under section 157 of the Corporations Act;
- (b) the change in nature and scale of the Company's activities under ASX Listing Rule 11;
- (c) the issue of new Manhattan shares to TTR shareholders under ASX Listing Rule 7.1 and Chapter 6 of the Corporations Act;
- (d) the acquisition of a substantial asset from a person in a position of significant influence under ASX Listing Rule 10.1
- (e) related party approvals under s208 of the Corporations Act;
- (f) the Consolidation;
- (g) approval of the Proposed Acquisition for the purposes of section 195(4) of the Corporations Act;
- (h) the variation of rights attaching to Manhattan's ordinary shares as a result of the issue of a new class of performance shares under the MIA; and
- (i) authority for Manhattan directors and / or their associates to participate in the Capital Raising under ASX Listing Rule 10.11.

Manhattan shareholders should note that the Company's securities will be suspended from the date of the shareholder meeting until such time as the Company has satisfied Chapters 1 and 2 of the Listing Rules and the Proposed Acquisition has completed.

6.4 TTR Shareholder Approvals

The New Zealand amalgamation component of the Proposed Acquisition will require TTR shareholder approval. Completion of the Proposed Acquisition is conditional upon TTR shareholders approving the amalgamation at a shareholders' meeting by the requisite majority in accordance with sections 221(5) and 106 of the Companies Act.

6.5 ASX Waivers Required

The Company intends to seek waivers from:

- (a) Listing Rule 2.1 (Condition 2) to enable it to issue securities at a price below the 20 cents stipulated in those rules (if required);

- (b) Listing Rule 9.1.3 to obtain “look through” relief from escrow requirements for TTR shareholders being issued Manhattan shares and performance shares (subject to the matters described in 6.6 below); and
- (c) Listing Rule 10.3.3 to extend the date by which Manhattan securities must be issued after the date of the general meeting to approve the Proposed Acquisition and other relevant resolutions.

6.6 Escrow

The Company expects that as a condition of re-admission to the official list of ASX, Manhattan shares and performance shares to be issued as consideration to certain TTR shareholders will be subject to mandatory escrow for up to 24 months. The TTR shareholders who are likely to be issued restricted securities as compensation may include any TTR shareholder classified as:

- (a) a seed capitalist;
- (b) a vendor who is also a Related Party; or
- (c) a Promoter,

under Appendix 9B of the ASX Listing Rules.

It is currently anticipated that Manhattan shares and performance shares issued to Mr Alan Eggers and Minvest, and to entities associated with Mr Seton, will be treated as restricted securities under paragraph (b) above.

6.7 Regulatory Requirements Generally

The Company notes that:

- (a) the Proposed Acquisition requires shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;
- (b) the Company is required to re-comply with ASX’s requirements for admission and quotation and therefore the Proposed Acquisition may not proceed if those requirements are not met;
- (c) ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Proposed Acquisition may not proceed if ASX exercises that discretion; and
- (d) investors should take account of these uncertainties in deciding whether or not to buy or sell the Company’s securities.

Furthermore, the Company:

- (a) notes ASX takes no responsibility for the contents of this Announcement; and
- (b) confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

6.8 Fees Payable by Manhattan

No fee will be payable by the Company to any broker or similar intermediary in relation to the Proposed Acquisition. Fees may be payable to professional advisers in connection with the Capital Raising.

6.9 Advisers

Manhattan is advised by Gilbert + Tobin (Australian legal adviser) and Harmos Horton and Lusk (New Zealand legal adviser).

TTR's is advised by Bell Gully (New Zealand legal adviser) and Gresham Advisory Partners (financial adviser).

For further information please contact:

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Non-Executive Director
Manhattan Corporation Limited

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Email: mcardaci@gtlaw.com.au

Annexure 1 – Summary of Merger Implementation Agreement (MIA)

The following definitions are used for the purposes of this Annexure 1.

“Business Day” means any day (other than a Saturday, Sunday or a statutory holiday) on which registered banks are open for business in Wellington, New Zealand.

“Effective Date” means the Business Day following the date on which the last of the conditions (a), (c), (d), (e), (f), (g), and (o) specified below are satisfied.

“Material Adverse Change” means, with respect to a party, any event or circumstance that individually, or when aggregated with all such events or circumstances, will, or is reasonably likely to, have a material adverse effect on the financial position, trading operations or prospects or assets of that party in each case occurring after the date of this Agreement, but does not include any fact, matter, event or circumstance:

- (a) which the parties agree in writing is not a Material Adverse Change;
- (b) resulting from any failure to meet internal projections or forecasts or published revenue or earnings predictions;
- (c) which took place with the written consent of the other party;
- (d) which was fairly disclosed in the due diligence materials or which the other party had actual knowledge prior to the date of the MIA;
- (e) which is attributable to the announcement of the amalgamation or the transactions contemplated by it, including any cancellations of or delay in customer orders, and reductions in sales or revenues, any disruption in supplier, distributor, partner or similar relations or any loss of employees;
- (f) that is or that arises from:
 - (i) general changes in economic, political or business conditions (including interest rates and exchange rates), or in securities, credit or financial markets;
 - (ii) changes in law, regulation or policy of any government agency (including any change in the judicial or administrative interpretation of any law, regulation or policy);
 - (iii) the commencement, occurrence, continuation or escalation of any war, armed hostilities or acts of terrorism; or
 - (iv) the existence, occurrence or continuation of any force majeure events, including any earthquakes, floods or other natural disasters or any national, international or regional calamity,

provided that none of the above items in this sub-clause (f) has had a disproportionate adverse effect on the party compared to other entities which (as appropriate) operate in a similar industry, or are subject to similar regulatory requirements, or are similarly situated in New Zealand or Australia.

A summary of the key terms of the MIA is set out below.

Consideration

Subject to the satisfaction of the conditions listed below, in consideration for the cancellation of TTR shares pursuant to the amalgamation, Manhattan will issue to each TTR shareholder 3,611 new Manhattan ordinary shares and 3,611 new Manhattan performance shares for each cancelled TTR share. The new Manhattan

performance shares (which will not carry voting rights or rights to dividends or distributions), will convert into ordinary shares if and when:

- (g) the Appeals are dismissed, Manhattan is satisfied, based on independent legal advice by appropriately qualified counsel, that the Marine and Discharge Consents are valid and that there are no further rights of appeal against the grant of the Marine and Discharge Consents, and any conditions imposed on the Marine and Discharge Consents are satisfactory to Manhattan in its reasonable discretion; or
- (h) (subject to the terms of issue) a change of control event occurs in respect of Manhattan

All outstanding TTR options will be exercised such that the holder receives TTR Shares and participates in the amalgamation and all outstanding TTR warrants will be transferred to Manhattan under the terms of the Warrant Acquisition Deeds.

Conditions

The Proposed Acquisition is subject to the satisfaction of each of the following conditions:

- (a) TTR shareholders approve the amalgamation at a shareholders' meeting by the requisite majority in accordance with sections 221(5) and 106 of the Companies Act;
- (b) all TTR options are exercised such that the holder receives shares and participates in the amalgamation and all TTR warrants are transferred to Manhattan under the terms of Warrant Acquisition Deeds.;
- (c) Manhattan receives all Manhattan shareholder approvals required to effect the Proposed Acquisition in accordance with Manhattan's constitution, the Corporations Act and the ASX Listing Rules;
- (d) Manhattan receives at least the minimum subscription for new funds of AU\$4 million to be specified under the prospectus;
- (e) ASX provides its approval for the re-commencement of trading in Manhattan shares and the quotation of the Manhattan shares issued to TTR shareholders under the amalgamation under the ASX Listing Rules on terms and conditions acceptable to Manhattan in its absolute discretion;
- (f) Tennant Metals enters into an agreement, on terms acceptable to Manhattan in its absolute discretion, under which Tennant Metals agrees to accept 144,440 Manhattan Ordinary Shares (on a post-Consolidation basis), in lieu of its contingent entitlement to receive 200 TTR Shares, on the same terms and conditions as its entitlement to receive TTR Shares as set out in the TTR board resolution to approve the conditional issue of TTR Shares to Tennant Metals dated 11 December 2012;
- (g) each of Coopers Drilling Services Limited and New Zealand Diving and Salvage Limited consents to the Amalgamation for the purposes of clause 12.2(b) of the Ocean Technologies Ltd (OTL) Shareholders Agreement and, generally, the OTL IP Agreement;
- (h) the amalgamation becomes effective on or before 31 May 2018 or such other date as the parties may agree;
- (i) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing or modifying the Amalgamation is in effect on the Effective Date, including:
 - (i) no section 226 Orders have been made restraining or otherwise prohibiting or modifying the Amalgamation and which remain in effect;

- (ii) no undetermined appeal (including any final appeal) from the grant or refusal of any section 226 Orders;
 - (iii) no undetermined application for any section 226 Orders made by any person; and
 - (iv) no settlement, compromise or resolution of any application for, or appeal from, a section 226 Order has been made or entered into unless the settlement, compromise or resolution was consented to by Manhattan and TTR, acting reasonably;
- (j) no Material Adverse Change occurs prior to the Effective Date;
 - (k) neither TTR nor Manhattan is in breach, in any material respect, of any of its obligations under the MIA prior to the Effective Date;
 - (l) subject to certain carve-outs, the representations and warranties set out in the MIA are true and correct in all material respects;
 - (m) the MNZ Board being satisfied, acting reasonably, that they can give the certificate required by section 223(e) of the Companies Act;
 - (n) TTR is not, and will not on the Effective Date, be a Code Company (as defined in the Companies Act); and
 - (o) the New Zealand Minister of Energy and Resources provides her consent under section 41C of the Crown Minerals Act 1991 to the change of permit operator named in the Minerals Licences under the Amalgamation

Both TTR and Manhattan must use all reasonable endeavours to ensure the conditions are satisfied. The conditions may be waived by written agreement of TTR and Manhattan.

Other Key Terms

Either party may terminate the MIA by written notice to the other at any time before 5:00pm on the Effective Date if:

- (a) the other is in material breach of any provision of the MIA, the party wishing to terminate has given written notice to the other setting out the relevant circumstances and stating an intention to terminate, and the relevant circumstances continue to exist five Business Days (or any shorter period ending at 5.00 pm on the Business Day before the Effective Date) from the time the notice is given; or
- (b) the board of directors of the other makes a public statement or announcement that it no longer supports the amalgamation.

TTR will indemnify Manhattan against all its legal and other costs and expenses in respect of the preparation, negotiation, execution and completion of the MIA, to the extent that the payment of such costs will not cause TTR to fail the solvency test (as defined in the Companies Act).

Annexure 2 – Manhattan Pro Forma Statement of Financial Position

	Manhattan Corporation Limited 30 June 2017 (A\$000)	Adjustments	Unaudited Post Acquisition Pro Forma Manhattan Corporation Limited 30 June 2017 (A\$000)
ASSETS			
Current Assets			
Cash and Cash Equivalents	187	3,300	3,487
Trade and Other Receivables	11	-	11
Total Current Assets	198	3,300	3,498
Non Current Assets			
Fixed and Long-term Assets	3,000	35,320	38,320
Total Non Current Assets	3,000	35,320	38,320
TOTAL ASSETS	3,198	38,620	41,818
LIABILITIES			
Current Liabilities			
Trade and Other Payables	77	-	77
Total Current Liabilities	77	-	77
TOTAL LIABILITIES	77	-	77
NET ASSETS	3,121		41,741
EQUITY			
Contributed Capital	17,629	38,620	56,249
Reserves	4,857	-	4,857
Accumulated Losses	(19,365)	-	(19,365)
TOTAL EQUITY	3,121	38,620	41,741

The unaudited Pro-Forma Statement of Financial Position as at 30 June 2017 above have been prepared on a basis consistent with the policies and standards adopted by Manhattan, which are in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The Pro-Forma Statement of Financial Position has been prepared to reflect the Capital Raising and the consideration for the Proposed Acquisition.

The Pro-Forma financial information is presented in an abbreviated summary form, and it does not include all of the disclosures required by Australian Accounting Standards applicable to annual or interim financial statements.

The above Manhattan Corporation Group 30 June 2017 Statement of Financial Position is based on the audited Financial Statements as published in the Company's 2017 Annual Report.

The unaudited post acquisition 30 June 2017 Pro-Forma Statement of Financial Position for the Manhattan Corporation Group is based on the Company's audited 30 June 2017 Statement of Financial Position and TTR's unaudited 30 June 2017 Statement of Financial Position, adjusted for:

- (a) a NZD\$/AUD\$ exchange rate of 0.9:1;
- (b) the issue of 160 million ordinary shares at A\$0.025 each to raise A\$4,000,000 and broker's fees for the Capital Raising of 5% of the amount raised and other costs associated with the capital raise;
- (c) Manhattan's costs for re-compliance with Chapters 1 and 2 of the ASX Listing Rules of A\$300,000; and
- (d) the consideration of all 1,412,786,930 Manhattan Shares (including performance shares which are assumed to convert to Manhattan Shares) based on Manhattan's assumed issue price of A\$0.025, for the acquisition of TTR.

The Proposed Acquisition includes a contractual obligation to issue 144,440 Manhattan Shares (on a post-Consolidation basis) to Tennant Metals Pty Ltd if, after the Proposed Acquisition, the Company achieves Decision to Mine in respect of the South Taranaki Bight project. As the successful achievement of the milestone cannot be predicted with any certainty, a value for these shares has not been reflected in the above unaudited post acquisition Pro-Forma Statement of Financial Position.

Annexure 3 – TTR Mineral Resource Statement



TRANS-TASMAN RESOURCES LIMITED
MINERAL RESOURCE STATEMENT

SOUTH TARANAKI IRONSAND PROJECT – AREA 2, JULY 2015

Trans-Tasman Resources and Resource Evaluation Services have updated the mineral resource estimate update for Area 2 of the Trans-Tasman Resources Ltd (TTRL) South Taranaki Iron sand Project. The mineral resource estimate is based on all available assay data as of 1 January 2015.

The mineral resource estimate was prepared and classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2012).

SUMMARY

A Davis Tube Recovery (DTR) and Concentrate Grade estimation has been reported over Mining Areas Stage 1 & 2 and Kupe Blocks North and South using a 3.5% DTR cut-off grade.

The mineral resource estimate for Mining Areas Stage 1 & 2 reports an Inferred and Indicated recoverable mineral resource of 1,043.1Mt @ 11.28% Fe₂O₃ generating 74.6Mt concentrate at a grade of 56.31% Fe (Table 1, detail Table 3, Table 4).

The mineral resource estimate for Kupe Blocks North and South reports an Inferred and Indicated recoverable mineral resource of 655.3Mt @ 10.97% Fe₂O₃ generating 45.5Mt concentrate at a grade of 56.73% Fe (Table 1, detail Table 5, Table 6).

Additional STB mineral resource estimates for the Area Outside Mining Areas Stage 1 & 2 has been reported using a 7.5% Fe₂O₃ (head) cut-off grade. At this cut-off grade the updated estimation reports an Inferred and Indicated mineral resource of 2,137.2Mt @ 9.66 Fe₂O₃ (Table 1, detail Table 8).

Table 1 – Summary

STB Mineral Resource Estimates	Mineral Resources			Concentrate	
	Cut-Off Grade	Mt	Fe ₂ O ₃ %	Mt	Fe%
Mining Areas Stage 1 & 2	3.5% DTR*	1,043.1	11.28	74.6	56.31
Kupe Blocks North & South	3.5% DTR*	655.3	10.97	45.5	56.73
Area Outside Mining Areas Stage 1 & 2	7.5% Fe ₂ O ₃	2,137.2	9.66		

- DTR is Davis Tube Recovery of the magnetic fraction of the sample

ASSUMPTIONS AND METHODOLOGY

This Mineral Resources estimate is based on a number of factors and assumptions:

- The deposit is interpreted as being a blanket of sand overlying deeper geomorphologic features identified by geophysical surveys. The sands have been reworked by wave, current

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and tidal action but appear to reflect the underlying geomorphologic features as evidenced by the statistical differences noted across the area.

- The geomorphologic features have been categorised as fluvial, deltaic, dune, beach and slump domains.
- The Mineral Resource is constrained laterally by the geomorphologic domain boundaries and the extent of the drilling data available.
- The extent of Domain 6 has been adjusted to take into consideration step out drilling undertaken in 2014. Additional geostatistical evaluation shows that the area is still characteristic of the previous data.
- Modelling domains were extrapolated laterally 1000 m where unconfined by drilling or domain boundaries.
- Only reverse circulation drill samples have been used in the estimation of the resource. Only the -2 mm part of each sample has been analysed with the physical recovery (REC) recorded in the database.
- A total of 4,237 samples have analyses for Fe₂O₃, Al₂O₃, P₂O₅, SiO₂, TiO₂, CaO, K₂O, MgO, MnO and LOI (head grades). 1716 samples from the proposed mining area and the Kupe Blocks have Davis Tube Recovery (DTR) results and 1665 of these have analyses for the magnetic fraction.
- The Davis Tube Concentrate (DTC) samples have analyses for Fe, Al₂O₃, P, SiO₂, Ti, CaO, K₂O, MgO, Mn and LOI.
- Vertically, the Mineral Resource is constrained by a mineralisation envelope defined by a nominal 4% Fe₂O₃ edge cut-off grade.
- The survey control for collar positions is considered adequate for the purposes of this study.
- A review of the QAQC data was completed and the analytical data is considered satisfactory.
- Modelling domains were used to flag the sample data for statistical analysis and estimation.
- A three dimensional block model was built using the geomorphologic domains and mineralisation envelope to constrain the resource estimate.
- Statistical analysis used the drill sample data weighted by physical recovery (REC) and Davis Tube recovery (DTR) as appropriate.
- The resource was estimated using an Ordinary Kriging algorithm. Head grades were estimated using samples weighted by recovery. Estimations for concentrate grades were weighted by physical recovery and DTR. The weighting is applied in order to appropriately reflect the relationship between the physical recovery and head assays for the head samples, and physical recovery, Davis Tube Recovery and the Davis Tube Concentrate assays for the magnetic concentrate samples. Weighting was completed by calculating the accumulation (REC × Head Sample Assay, Rec × DTR × DTC assay) and subsequently back calculating the head and DTC grade estimates by dividing by the estimated REC and (REC × DTR) values.
- No high grade cutting or restraining of outlier samples was required.
- Head grades were estimated for Fe₂O₃, Al₂O₃, P₂O₅, SiO₂, TiO₂, CaO, K₂O, MgO, MnO, LOI, Recovery and DTR. DTC grades were estimated for Fe, Al₂O₃, P, SiO₂, Ti, CaO, K₂O, MgO, Mn and LOI.
- The model was constructed and estimated using Micromine.
- Dry bulk density was assigned based on a regression against Fe. The regression was developed based on the theoretical density of the mineral sands supported by 46 laboratory density measurements.

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- The resource model estimates have been classified as Indicated Resource where the drill spacing is on a 1000 m by 1000 m grid or closer, and Inferred Resource where the deposit is less systematically drilled but geological continuity can be interpreted.

MODEL VALIDATION

The 2015 mineral resource model incorporated a number of changes from the 2013 model. These changes were applied to the Area 2 model, the proposed mine area and the Kupe North and Kupe South Blocks. The Koitiata model remains unchanged from 2013 and has not been reported within this statement. In summary the changes were:

- Bathymetry – The bathymetric surface was updated to include more detailed data acquired from multi beam sonar surveys undertaken by NIWA in 2013.
- Database
 - Five additional deep drill holes have been added to the database after review of recovery and quality of the sampling
 - The 2015 “Area 2” resource estimation used 689 drill holes, including 58 drill holes completed in 2014.
- The base of mineralisation (BOM) was revised for the deep drill holes and new drilling.
- The model has been rotated clockwise to a bearing of 070° to optimise the blocks with the proposed mining direction.
- The model Parent Block size was created at 300 m × 300 m to reflect the expected Selective Mining Unit (SMU) size.
- Variography was reviewed and revised where necessary.
- The Mine Area remains unchanged

The impact of each of the parameter changes were assessed. The impact of these changes by the base of mineralisation (BOM) is measured, the remainder are estimated (Table 2).

Table 2 - Impact of Model Changes

Bathymetry/BOM/Domain	Approximately +12% volume
Rotation	5% (from 050° to 070°)
Database	DTR Model: -2.6% tonnes :+2%, DTR Grade @3.5% cut-off Domain 6 increase in area of 10% Head Grade Model: +3.6% tonnes Fe2O3 Grade +2% @5% cut-off

The most significant difference between the 2015 and 2013 models is the drill data. The majority of the drilling was completed immediately adjacent to the proposed mining blocks, within the areas identified as Kupe North (inside the 12 nautical mile limit) and Kupe South (outside the 12 nautical mile limit) Blocks.

Five deep drill holes completed in 2013 have been added to the database, but have not significantly changed the model.

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MINERAL RESOURCE STATEMENT

The mineral resource estimates were classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2012).

Grades and tonnages reported are for all material with the recovery of the resource shown on the tables. Reported Head Grades are the -2mm portion of the sample. Concentrate grades are for the magnetically recoverable portion of the sample. Concentrate tonnage is calculated from the head tonnage and DTR.

The mineral resources have been reported at 3.5% DTR cut-off grade where DTR analyses are available within the proposed mining area and the Kupe Blocks. Outside this area a cut-off grade of 7.5% Fe₂O₃ has been used based on the statistical relationship between Fe₂O₃ and DTR.

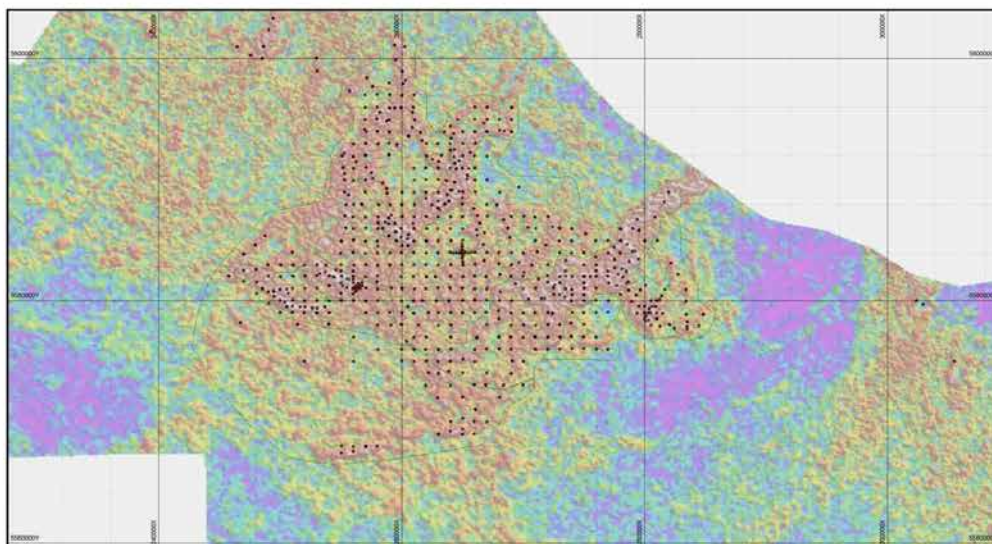


Figure 1: Drill hole locations with aeromagnetic survey data shown

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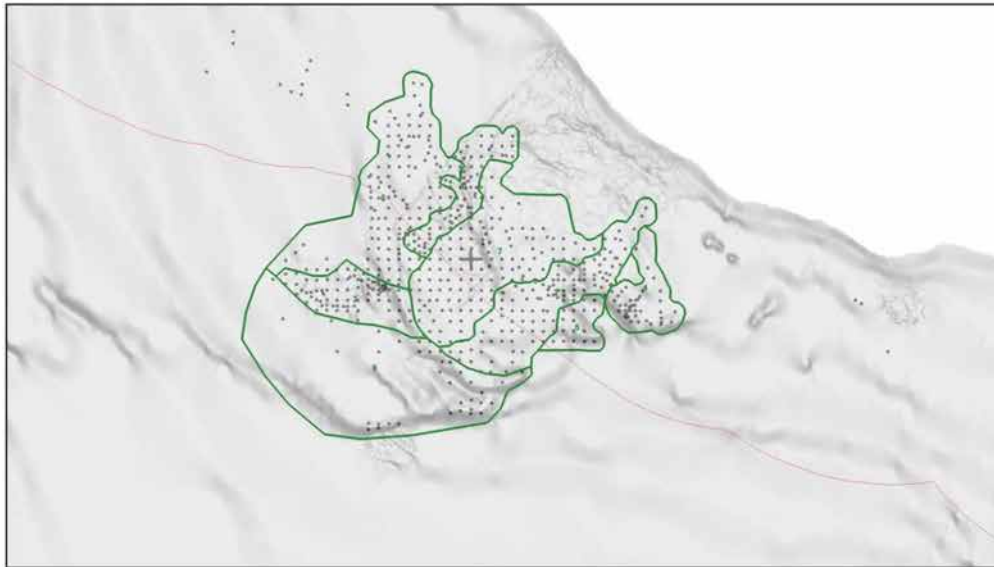


Figure 2: Drill hole locations with Domain locations and greyscaled bathymetric data

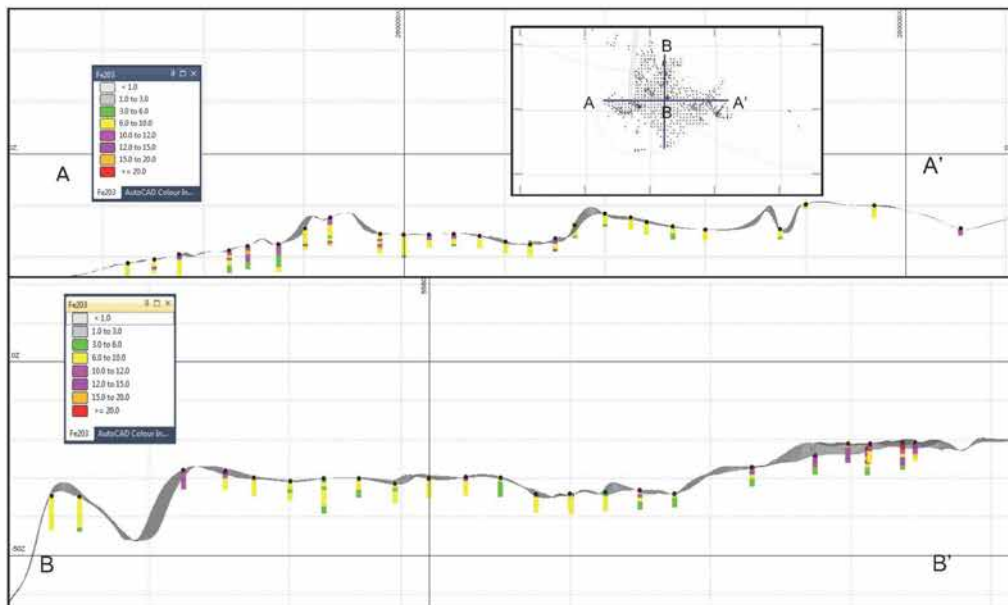


Figure 3: Typical cross sections with down hole drill data for Fe_2O_3 — note 100 x vertical exaggeration

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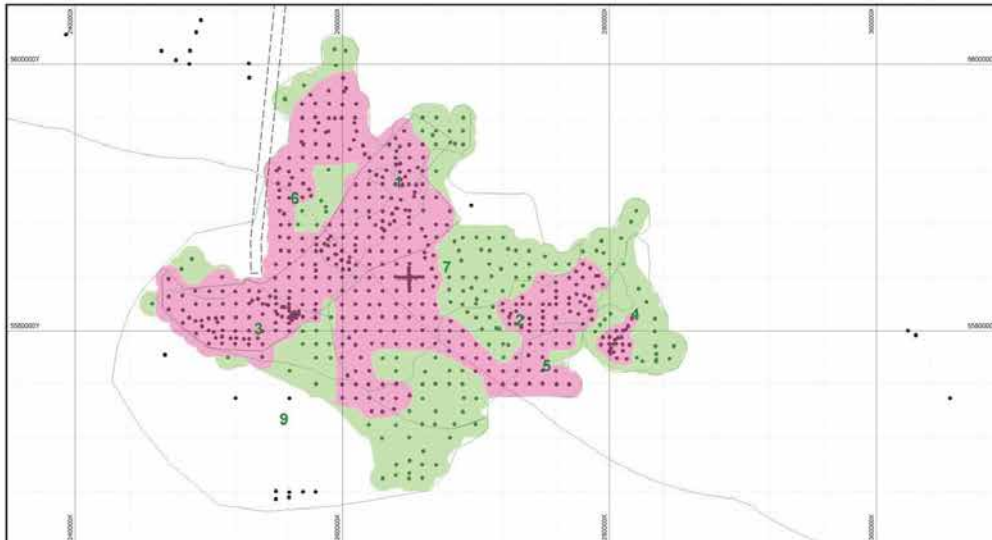


Figure 4: Inferred (Green) and Indicated (Pink) resource classification boundaries

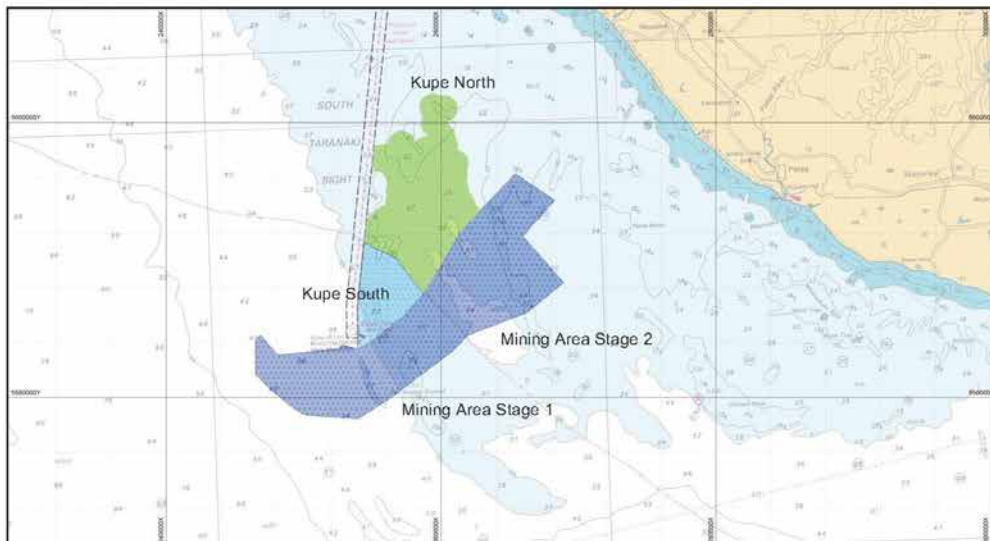


Figure 5: Location of DTR Blocks as reported in Table 2, Table 3, Table 4 and Table 5. Note the proposed mining areas are reported together, Stage 1 outside the 12 nautical mile limit and Stage 2 inside the 12 nautical mile limit and are reported in Table 2 and Table 3. Kupe North and Kupe South areas are reported together in Table 4 and Table 5.

Table 3 - 2015 Tonnage and Head Grades (%) – Proposed Mine Area – 3.5% DTR* Cut-Off Grade

	Domain	Mt	Fe ₂ O ₃	DTR	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC(%)	Mt DTR Concentrate
Indicated	1	166.8	12.13	7.90	10.63	52.76	1.22	10.92	1.06	5.68	0.21	0.22	2.68	94.19	13.2
	3	468.8	11.83	7.70	12.64	51.23	1.21	10.94	1.15	5.40	0.21	0.26	2.19	97.88	36.1
	6	314.3	10.03	6.00	13.00	52.47	1.02	11.31	1.14	4.95	0.19	0.24	2.67	95.67	18.9
	7	69.8	10.80	6.48	10.72	48.38	1.05	14.45	0.95	6.10	0.21	0.23	4.38	85.64	4.5
	9	3.9	8.26	4.66	14.16	53.64	0.82	11.04	1.23	4.48	0.17	0.23	2.59	98.38	0.2
Indicated Total	1023.6	11.24	7.12	12.30	51.67	1.14	11.29	1.12	5.35	0.20	0.25	2.57	95.76	72.9	
Inferred	1	12.8	14.36	10.27	9.28	51.94	1.49	10.37	0.96	5.29	0.21	0.19	3.47	92.84	1.3
	3	0.0	10.99	7.10	12.72	52.01	1.12	11.10	1.12	5.01	0.20	0.25	2.57	96.04	0.0
	6	3.4	9.15	4.74	14.00	50.74	0.90	12.80	1.11	5.56	0.20	0.27	2.32	92.56	0.2
	7	3.3	12.70	8.51	9.75	47.93	1.32	14.43	0.81	7.54	0.25	0.23	3.34	86.82	0.3
	Inferred Total	19.6	13.15	8.99	10.19	51.03	1.36	11.51	0.96	5.73	0.22	0.21	3.24	91.73	1.8
Total	1,043.1	11.28	7.15	12.26	51.66	1.14	11.30	1.12	5.36	0.20	0.25	2.58	95.69	74.6	

Table 4 - 2015 Tonnage and Concentrate Grades (%) – Proposed Mine Area – 3.5% DTR* Cut-Off Grade

	Domain	Mt	Fe	Al ₂ O ₃	SiO ₂	Ti	CaO	K ₂ O	MgO	Mn	P	LOI
Indicated	1	13.2	57.18	3.69	3.87	4.97	1.01	0.11	3.23	0.52	0.10	-3.18
	3	36.1	55.96	3.72	4.97	5.08	1.17	0.16	3.27	0.51	0.12	-2.99
	6	18.9	56.08	3.74	4.91	5.04	1.19	0.15	3.28	0.52	0.11	-3.04
	7	4.5	57.15	3.79	3.94	4.85	1.06	0.10	3.31	0.51	0.09	-3.29
	9	0.2	55.26	3.75	5.71	5.03	1.32	0.17	3.38	0.50	0.12	-2.93
Indicated Total	72.9	56.27	3.73	4.71	5.03	1.14	0.14	3.27	0.51	0.11	-3.06	
Inferred	1	1.3	59.13	3.48	1.96	4.93	0.70	0.03	3.09	0.52	0.09	-3.37
	3	0.0	56.95	3.61	4.06	5.10	0.97	0.12	3.14	0.53	0.11	-2.96
	6	0.2	54.51	3.85	6.43	5.05	1.56	0.18	3.49	0.51	0.11	-2.92
	7	0.3	58.01	3.66	3.20	4.80	0.96	0.07	3.25	0.51	0.08	-3.37
	Inferred Total	1.8	58.12	3.58	2.96	4.93	0.90	0.07	3.19	0.52	0.09	-3.29
Total	74.6	56.31	3.72	4.67	5.03	1.14	0.14	3.27	0.51	0.11	-3.06	

Table 5 - 2015 Tonnage and Head Grades (%) – Kupe North and South Blocks Area – 3.5% DTR* Cut-Off Grade

Indicated Total	Domain	Mt	Fe ₂ O ₃	DTR	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC(%)	Mt DTR Concentrate
	6	498.0	10.95	6.98	12.73	50.93	1.13	11.44	1.11	4.74	0.19	0.24	3.43	95.60	34.8
Inferred Total	Domain	Mt	Fe ₂ O ₃	DTR	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC(%)	Mt DTR Concentrate
	6	157.3	11.01	6.92	12.33	52.18	1.15	10.97	1.13	5.05	0.19	0.22	2.99	93.60	10.7
Total		655.3	10.97	6.94	12.63	51.23	1.13	11.33	1.12	4.81	0.19	0.23	3.32	95.12	45.5

Table 6 - 2015 Tonnage and Concentrate Grades (%) – Kupe North and South Blocks Area – 3.5% DTR* Cut-Off Grade

Indicated Total	Domain	Mt	Fe	Al ₂ O ₃	SiO ₂	Ti	CaO	K ₂ O	MgO	Mn	P	LOI
	6	34.8	56.64	3.62	4.30	5.07	1.07	0.13	3.17	0.52	0.11	-3.02
Inferred Total	Domain	Mt	Fe	Al ₂ O ₃	SiO ₂	Ti	CaO	K ₂ O	MgO	Mn	P	LOI
	6	10.7	57.02	3.66	4.11	4.98	1.02	0.12	3.16	0.51	0.10	-3.05
Total		45.5	56.73	3.63	4.25	5.05	1.06	0.13	3.17	0.51	0.11	-3.03

*The DTR estimate is based on analytical DTR and calculated DTR values

Trans-Tasman Resources Limited - Mineral Resource Estimation Statement, South Taranaki Bight Offshore Iron Sand Project, July 2015

Table 7 - 2015 Tonnage and Head Grades (%) Full Area Reported – 5% Fe2O3 Cut-Off Grade

	Domain	Mt	Fe ₂ O ₃	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC
Indicated	1	232.08	10.82	10.99	54.20	1.10	10.53	1.13	5.21	0.19	0.21	2.97	93.14
	2	339.55	7.49	13.35	49.97	0.77	13.76	1.26	4.27	0.16	0.23	5.52	86.21
	3	634.72	10.62	13.32	52.35	1.09	10.47	1.26	4.93	0.19	0.26	2.41	97.42
	4	82.74	9.48	12.04	46.57	0.91	16.07	0.93	6.00	0.20	0.26	5.01	89.36
	5	116.53	7.52	14.70	52.27	0.79	11.62	1.40	4.25	0.16	0.24	3.70	89.05
	6	1124.69	9.55	13.16	53.22	0.99	10.62	1.22	4.42	0.17	0.23	3.23	95.77
	7	530.67	8.35	14.10	52.09	0.85	11.87	1.31	4.72	0.18	0.23	3.01	86.32
	9	158.36	8.60	14.40	51.78	0.86	11.99	1.23	5.03	0.19	0.25	2.38	92.50
	Indicated Total	3219.37	9.27	13.31	52.27	0.95	11.41	1.24	4.67	0.18	0.24	3.30	92.55
	Domain	Mt	Fe ₂ O ₃	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC
Inferred	1	45.32	12.70	8.60	49.06	1.30	13.33	0.91	5.07	0.19	0.19	6.29	87.83
	2	323.31	7.67	14.95	50.21	0.80	12.78	1.35	4.19	0.16	0.23	4.16	85.69
	3	187.68	7.73	15.54	53.40	0.81	10.53	1.42	4.07	0.16	0.25	2.46	93.94
	4	136.68	7.83	10.89	44.35	0.74	18.75	0.88	5.57	0.18	0.22	8.13	81.07
	5	7.04	7.15	13.86	52.69	0.73	12.13	1.32	4.69	0.16	0.25	3.33	86.43
	6	299.69	9.38	13.15	54.36	0.99	9.97	1.27	4.33	0.17	0.21	3.03	94.99
	7	315.19	7.68	12.36	47.55	0.77	15.94	1.10	4.92	0.17	0.22	6.45	83.23
	9	506.79	7.58	15.94	53.12	0.78	10.98	1.42	4.28	0.16	0.25	2.04	92.82
	Inferred Total	1822.00	8.06	14.02	50.94	0.83	12.73	1.27	4.50	0.17	0.23	4.06	89.05
Total	5041.36	8.83	13.57	51.79	0.91	11.89	1.25	4.61	0.17	0.23	3.57	91.29	

Table 8 - 2015 Tonnage and Head Grades (%) Outside Proposed Mine Area – 7.5% Fe2O3 Cut-Off Grade

	Domain	Mt	Fe ₂ O ₃	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC
Indicated	1	7.5	17.38	8.50	49.83	1.79	9.35	0.86	6.12	0.27	0.19	3.55	95.53
	2	129.7	8.87	12.59	48.58	0.89	14.56	1.11	5.37	0.19	0.25	4.64	82.13
	3	45.9	9.05	14.22	51.13	0.91	12.27	1.19	5.19	0.19	0.26	2.55	90.60
	4	70.2	9.92	11.75	46.18	0.95	16.22	0.89	6.17	0.21	0.26	5.01	88.85
	5	39.2	9.37	14.05	50.26	0.92	12.80	1.19	5.89	0.20	0.27	2.12	82.03
	6	523.7	10.98	12.70	50.91	1.13	11.49	1.11	4.77	0.19	0.24	3.42	95.65
	7	261.1	8.93	13.88	51.07	0.89	12.52	1.23	5.30	0.20	0.25	2.60	84.10
	9	123.4	9.03	14.13	51.09	0.90	12.40	1.18	5.36	0.20	0.26	2.31	91.20
	Indicated Total	1201.4	9.90	13.13	50.39	1.00	12.53	1.14	5.17	0.20	0.25	3.28	89.83
	Domain	Mt	Fe ₂ O ₃	Al ₂ O ₃	SiO ₂	TiO ₂	CaO	K ₂ O	MgO	MnO	P ₂ O ₅	LOI	REC
Inferred	1	24.3	14.28	7.63	46.24	1.43	15.04	0.76	5.50	0.20	0.21	6.63	88.15
	2	166.1	8.61	13.96	49.32	0.87	13.49	1.22	5.08	0.19	0.24	3.83	84.43
	3	97.3	8.71	14.75	51.72	0.89	11.58	1.28	4.76	0.18	0.26	2.53	91.28
	4	67.2	8.97	11.01	45.47	0.85	17.47	0.89	6.15	0.20	0.23	6.24	80.66
	5	2.0	8.07	13.49	51.85	0.78	12.23	1.21	5.60	0.18	0.26	2.14	81.90
	6	206.4	10.75	12.64	52.42	1.12	10.80	1.16	4.88	0.19	0.22	2.92	94.30
	7	155.5	8.73	11.24	45.34	0.84	17.49	0.92	5.94	0.20	0.24	6.56	79.56
	9	216.5	9.05	14.32	51.47	0.90	12.18	1.21	5.55	0.20	0.27	1.88	91.55
	Inferred Total	935.8	9.35	12.96	49.57	0.94	13.54	1.12	5.36	0.19	0.24	3.84	87.62
Total	2137.2	9.66	13.05	50.03	0.97	12.97	1.13	5.26	0.19	0.24	3.52	88.86	

- Note: The substantial increase in tonnes reported for Domain 6 has been due to additional step out drilling undertaken in 2014. This has increased the area of the Domain by an additional 10%, as well as extending the depth of mineralisation due to the use of 11m drilling sampler, within this Domain, used during the 2014 drilling programme.

COMPLIANCE WITH THE JORC CODE ASSESSMENT CRITERIA

The JORC Code (2012) describes a number of criteria, which must be addressed in the documentation of Mineral Resource estimates, prior to public release of the information. These criteria provide a means of assessing whether or not parts of or the entire data inventory used in the estimate are adequate for that purpose. The resource estimate stated in this document was based on the criteria set out in Table 1 of that Code.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The material being sampled is subsea sand originally deposited in marine and terrestrial environments. Samples used in the resource estimation are from drill holes only. Grab samples have only been used as qualitative indicators of the presence of magnetic heavy minerals during early exploration. The majority of the drilling used a passive triple tube reverse circulation system. Deep drilling used tri cone roller bit with deep drilling limited to an operating water depth of approximately 30 m. The full sample for each metre was collected and a sub-sample split, with the >2 mm material screened which is then analysed by XRF. Drill samples from the proposed mine area and the Kupe Blocks have been subject to Davis Tube Recovery to determine the magnetically recoverable portion of the sample. The concentrate recovered has been analysed by XRF
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> The drill sampling uses a proprietary passive triple tube reverse circulation technique drilling a 75.75 mm diameter hole to a maximum depth of 11 m. Thirteen 5 inch diameter RC drill holes were drilled in 2012 and 2013 to a maximum depth of 30 m.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Golder Associates have previously reviewed the drilling and sampling and consider that a representative sample is being collected. Sample weights are recorded.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Oversized samples due to hole 'blow outs' are excluded from the resource estimation. Recovery analysis has been undertaken to ensure representative samples are used in the model.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The qualitative logging of samples is of sufficient detail to support the current mineral resource.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> 1 m samples were taken from the sample cyclone. The sample is then dried and split using a rotary splitter. Sample sizes are appropriate for the sandy material being collected. Duplicate samples are routinely submitted to monitor the sample preparation process. All procedures are well documented and understood by the operational personnel.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The analytical techniques, particularly the Davis Tube Recovery analysis, are appropriate for this type of deposit. Regular reference standards (IRM), blanks and duplicate samples are submitted to the laboratory to monitor the accuracy and precision of the analysis process and results. Analysis of the QAQC sample results to date indicate that the accuracy and precision of the assay data is adequate for the mineral resource estimation
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Independent verification of sampling has not been undertaken due to the logistics involved. At Golders request a series of samples from the 2010 drilling campaign were resubmitted to an alternative laboratory. These referee samples returned analyses results consistent with the

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<p>original analyses.</p> <ul style="list-style-type: none"> Drilling and sampling of several holes has been observed by Golder Associates consultants. Referee sampling has been used to validate the accuracy and precision of historical samples. Twin holes have been drilled but the results from twin holes are inconclusive. All sampling and data management procedures are documented. Data management is considered adequate. Rotary Reverse circulation sampling has been trialed. Golder observed the drilling of two of these holes and considers the samples to be non-representative due to sample loss. Data from these holes has not been used.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> For the scale of the deposit the location of samples by hand held GPS is considered adequate. GPS data is in latitude and longitude. Modelling data is in UTM – WGS 84 Zone 60 Commercial/Public domain bathymetric data is considered adequate over most of the tenements and good in the mine area where the data has been supplemented with NIWA multibeam sonar data.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Much of the resource area is now drilled on a nominal 1000 m by -1000 m grid. Analysis to date suggests that this is an adequate sample spacing to define an Indicated Mineral Resource. Deeper drilling may start to introduce more variability and lead to a requirement for infill drilling. Samples are not composited for analysis
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> All drill holes are vertical providing the optimum orientation for sampling these bedded sand deposits.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sample security is good with all samples being under TTR supervision up until submission at the laboratory. Laboratory chain of custody and security have been reviewed by

Criteria	JORC Code explanation	Commentary
		Golders Associates previously and are considered fit for purpose.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> In 2010 Golder undertook a detailed audit of the drill hole database. Minor anomalies in the database were found and corrected. In 2012 QG (Perth) undertook a due diligence of the resource data and estimation. To address issues raised by Golder in their QAQC data analysis, Jeremy Batchelor of Chem Tek Consulting undertook an independent lab audit and QAQC data analysis in 2013 finding the laboratory procedures and results satisfactory. There have been no procedural changes with sampling, sample preparation or testing since this audit was undertaken. Mr Stephen Godfrey (Resource Evaluation Services) and Matthew Brown (TTR GM Exploration) reviewed and the database for the 2015 resource model.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> TTRL hold granted Continental Shelf Licence 50753 and Exploration Permit 54068. These tenements allow exploration activities to be undertaken. Licence 50753 is currently under application for an extension of duration for a further 4 years. EP 54068 expires in December 2017. TTR have a granted Mining Permit 55581 which expires in May 2034. All tenements are owned 100% by TTRL. Royalty commitment for mining permit 55581 is 1% of net sales revenue when net sales revenues exceed NZD\$100 000; and be the greater of 1% of net sales revenue or a 5% accounting profits royalty when net sales revenues exceed NZD\$1 000 000. Under the Crown Minerals Act (1991) mining permits are subject environmental approvals under the following legislation: <ul style="list-style-type: none"> Marine consents under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012

Criteria	JORC Code explanation	Commentary
		<p>(EEZA) for activities beyond the 12 nm limit.</p> <ul style="list-style-type: none"> ○ Resource consents under the Resource Management Act 1991 (RMA) for activities (including discharges) within the 12 nm limit. ○ Marine discharge consents under the EEZA or Discharge Management Plans under the Maritime Transport Act 1994 (MTA) for discharges beyond the 12 nm limit.
Exploration done by other parties	<ul style="list-style-type: none"> ● Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> ● Some petroleum bore logs record near surface iron sands ● Geophysical surveys were largely reconnaissance in nature providing limited offshore detail. ● Limited, historical sampling of shallow offshore deposits has been undertaken providing indicative results only.
Geology	<ul style="list-style-type: none"> ● Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> ● The deposit is a submarine aeolian/alluvial/marine accumulation of ironsand in palaeo channels, beaches and dunes. ● The main mineral of interest is titanomagnetite.
Drill hole Information	<ul style="list-style-type: none"> ● A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. ● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> ● 726 vertical seafloor drill holes have been drilled. ● The current resource model uses 689 of these drill holes, drilled and sampled, averaging 6.024 m in depth for a total of 4150.6 m. ● The remaining holes are reconnaissance, bulk sampling and trial holes.
Data aggregation methods	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> ● Exploration drilling results are not reported here.
Relationship	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of 	<ul style="list-style-type: none"> ● The iron sands are bedded deposits. Drilling to date has only

Criteria	JORC Code explanation	Commentary
<i>between mineralisation widths and intercept lengths</i>	<p><i>Exploration Results.</i></p> <ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	defined the true thickness of the deposit in ten drill holes.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> See Figures 1 to 5, in the Mineral Resource Statement
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Exploration results are not reported here.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Exploration data to date includes geophysical surveys, grab samples, bulk samples and drilling. Metallurgical test work has been done on the magnetic recovery, physical separation and comminution testing of bulk samples with the TTR pilot plant. Enough data is available to make a reasonably confident estimate of the dry bulk density.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Potential for further infill drilling to extend the available mining area. Pending budget approval a detailed vessel based geophysical survey over the mine area is planned.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> <i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> 	<ul style="list-style-type: none"> Golder Associates have previously undertaken a detailed audit of the drill hole database validating the data and ensuring that adequate security and backup procedures are in place.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Data validation procedures used. 	<ul style="list-style-type: none"> Drill data is routinely checked for internal consistency, anomalies and omissions prior to each resource estimation.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> The site has been visited by the competent person, Stephen Godfrey, on four occasions. <ul style="list-style-type: none"> January, 2010 – reviewed drilling and sampling. Recommendations for improved procedures made and implemented. July 2012 – reviewed pilot plant, project in general February 2013 – reviewed rotary RC drilling. Identified sampling issues. March 2015 – review of database and development of the model using Micromine software.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> Preliminary drilling showed the deposit to be relatively consistent in the top 6 m with most material being mineralised. The infill drilling is now showing better qualitative correlation with the airborne magnetic surveys with higher grade mineralisation in general being coincident with magnetic highs. The correlation is not always consistent and the impact on exploration and the resource is still being assessed. Confidence in the geological interpretation is medium to high.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The deposit has been drilled over a strike length of 100 km and a width of 6 to 12 km.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to 	<ul style="list-style-type: none"> The available sampling data is sufficient to allow variogram models and kriging parameters to be defined. The models were estimated using Ordinary Kriging. The estimation has a maximum extrapolation of 1000 m from any data point. The models were estimated and constructed using Micromine software. The estimate has been made into 300 m × 300 m × 1 m parent blocks oriented at 070°. These blocks represent the mining SMU as defined in the PFS, and are approximately one third of the average drill spacing. Head Fe₂O₃ and DTR show a positive correlation. This correlation has been used to estimate DTR outside the mining

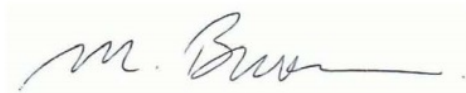
Criteria	JORC Code explanation	Commentary
	<p><i>the average sample spacing and the search employed.</i></p> <ul style="list-style-type: none"> Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<p>area where DTR has been measured.</p> <ul style="list-style-type: none"> The sample population showed no significant outlier samples so no grade cutting or grade restraint was applied. The estimation was unfolded to the bathymetric surface. The models have estimated the major and deleterious elements for the -2 mm fraction for the full model. In addition Davis Tube Recovery and Concentrate grades have been estimated for the proposed mining area. The models were validated against the drill holes visually and statistically. The estimations for both models are considered to have a medium to high level of confidence.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> All tonnages are estimated on dry basis consistent with the sample analysis which is reported as a dry mass percent.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> The Fe₂O₃ cut-off used to define the mineralisation was based on the population statistics for Fe₂O₃. The DTR cut-off of 3.5% applied to reporting is based on preliminary economic estimates of mining cut-off grade. Based on the good correlation between head Fe (or Fe₂O₃) and DTR 3.5% DTR is equivalent to 7.5% Fe₂O₃.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> The current assumption is that this will be a dredging operation using subsea crawler technology. It will be a bulk mining scenario with any subgrade overburden incorporated into the mineralised zone where practicable. Consequently only a base of mineralisation is defined in the geological model with minor amounts of subgrade overburden and interburden incorporated into the model. The base of mineralisation was defined at 4% Head Fe₂O₃ based on the population statistics of the analyte. DTR analyses are incomplete for the entire model area and could not be used to define the cut off, however there is a strong positive correlation between Fe₂O₃ and DTR.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions 	<ul style="list-style-type: none"> No metallurgical recovery factors have been applied. Samples are screened to -2 mm before analysis. The screened recovery is used to weight the head grade estimation. Davis Tube Recovery

Criteria	JORC Code explanation	Commentary
	<p>regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</p>	<p>(DTR) analyses have been performed on samples from drill holes in the proposed mining area and within the Kupe Blocks.</p>
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> Tailings from the mining operation are to be returned to the seafloor in mined out areas. Baseline environmental studies have been undertaken and have determined that any environmental impact can be avoided, remedied or mitigated.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> Dry bulk density was determined by laboratory analysis and verified by comparison to the theoretical bulk density. Bulk density is sensitive to the heavy mineral content. A regression formula was used to estimate bulk density based on the Fe content. A small number of samples (3) suggest decreasing porosity with Fe grade. If the samples prove valid they have the potential to increase the tonnage of the deposit by several percent.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> Those parts of the resource classified as Indicated have been sampled at density considered adequate to support the classification. No adverse quality or geological uncertainty parameters affect this classification. The Inferred classification of the deposit reflects the assumed geological and geostatistical continuity in parts of the current model where the drill spacing exceeds 1000 m by 1000 m. Classification of the deposit was undertaken by the competent person.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> The current mineral resource estimate has not been externally audited. In 2012 QG (Perth) undertook a due diligence of the resource data and estimation.
Discussion of relative	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach 	<ul style="list-style-type: none"> The current resource is a global estimate. The relatively sparse data does not allow a high confidence local estimate.

Criteria	JORC Code explanation	Commentary
accuracy/ confidence	<p>or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</p> <ul style="list-style-type: none"> The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The model is considered adequate to use in a mine planning study for a bulk dredging style operation.

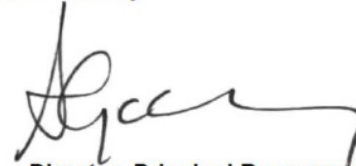
Statement and Resource Estimation Prepared by

Matthew Brown



**General Manager Exploration
Trans-Tasman Resources Ltd**

Stephen Godfrey



**Director, Principal Resource Geologist
Resource Evaluation Services**



Competent Persons Statement

The information in this report that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the South Taranaki Iron sand Project is based on, and fairly represents, information which has been compiled by employees of Trans-Tasman Resources Limited under the supervision and guidance of Mr Matthew Brown a full-time employee of Trans-Tasman Minerals and Member of The Australian Institute of Mining and Metallurgy. Mr Brown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brown consents to the inclusion in this statement of the matters based on his information in the form and context in which they appear.

The information in this report that relates to the Mineral Resource estimate at The South Taranaki Iron sand Project is based on, and fairly represents, information which has been compiled by Mr Stephen Godfrey. Mr Godfrey is Principal Resource Geologist at Resource Evaluation Services and a Member of the Australasian Institute of Mining and Metallurgy and a Member of The Australian Institute of Geoscientists. Mr Godfrey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.