

For personal use only



**MANHATTAN**

MANHATTAN CORPORATION LIMITED

ABN 61 123 156 089

Annual Report

30 June 2020



<b>CONTENTS</b>	<b>PAGE NO</b>
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	15
Consolidated Statement of Comprehensive Income	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Cash Flows	18
Consolidated Statement of Changes in Equity	19
Notes to the Financial Statements	20
Directors' Declaration	40
Independent Audit Report	41
ASX Additional Information	45

For personal use only



**CORPORATE DIRECTORY**

---

**Directors**

Mr Marcello Cardaci (Non-Executive Chairman)

Mr Jens Balkau (Non-Executive Director)

Mr John Seton (Non-Executive Director)

**Chief Executive Officer**

Mr Kell Nielson (Chief Executive Officer)

**Company Secretary**

Ms Eryn Kestel

**Registered Office**

Level 2

33 Colin Street

West Perth WA 6005

Telephone: +61 8 9322 6677

Facsimile: +61 8 9322 1961

Website: [www.manhattancorp.com.au](http://www.manhattancorp.com.au)

Email: [info@manhattancorp.com.au](mailto:info@manhattancorp.com.au)

**Share Registry**

Computershare Investor Services Pty Ltd

Level 2

Reserve Bank Building

45 St Georges Terrace

Perth WA 6000 Australia

Telephone: 1300 850 505

Facsimile: + 61 8 9323 2033

**Auditors**

Rothsay Auditing

Level 1, Lincoln House

4 Ventnor Avenue

West Perth WA 6005

**Securities Exchange**

The Company's securities are quoted on the official list of the Australian Securities Exchange Limited, the home branch being Perth.

ASX Codes: MHC and MHCO



## Directors' Report

---

The Directors present their report for Manhattan Corporation Limited (“Manhattan” or “the Company”) and its subsidiaries (“the Group”) for the year ended 30 June 2020.

### **DIRECTORS and CHIEF EXECUTIVE OFFICER**

The names, qualifications, and experience of the Company's Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

**Mr Marcello Cardaci** B. Juris, LLB, B.Com

#### **Non-Executive Chairman**

Marcello is a consultant with the Australian legal practice of Gilbert + Tobin. Mr Cardaci holds degrees in law and commerce and is experienced in a wide range of corporate and commercial matters with a particular emphasis on public and private capital equity raisings and mergers and acquisitions. Gilbert + Tobin specializes in the provision of legal advice to companies involved in various industries including resources and manufacturing.

Mr Cardaci is a Director of Alta Zinc Limited (formerly Energia Minerals Limited) (appointed 7 October 2014) and is a former Director of Cyprium Metals Ltd (resigned 10 July 2019). He has not held any other listed directorships over the past three years.

**Mr Jens Balkau** BSc Hon, MSc DIC

#### **Non-Executive Director**

Jens has more than 40 years' experience as a geologist, formerly with Western Mining Corporation and Regis Resources Limited, where he led the discovery and definition of more than 5Moz of gold in the Duketon Belt of Western Australia. His discovery record also includes the world-class Tampakan copper-gold project in the Philippines and he was involved in the Babel and Nebo nickel discoveries in the West Musgrave region of central Australia. Mr Balkau is a member of the AusIMM and Australian Institute of Geoscientists.

**Mr John Seton** LLM (Hons)

#### **Non-Executive Director**

John is an Auckland based solicitor with over 30 years' experience in commercial law, stock exchange listed companies and the mineral resources sector. Mr Seton is a Director and Chief Executive Officer of Besra Gold Inc. and is a former Director and Chair of ASX listed FE Investments Group Limited (resigned August 2018). He was appointed as Director and Independent Chairman of ASX listed Company, Tomizone Limited on 17 December 2018.

Mr Seton has not held any other listed directorships over the past three years.

**Mr Kell Nielsen** BSc(Geol), MSc(MinEcon), MAusimm

#### **Chief Executive Officer**

Kell is an Australian Geologist with over 25 years' experience in project generation, exploration, and development across a broad range of minerals including gold, copper and base metals. Mr Nielsen has worked extensively in Australia, Mongolia, West and East Africa and Myanmar covering a diverse range of experiences and roles from grass roots exploration to being at the forefront of discoveries and managing large resource development teams for Placer Dome (Wallaby resource definition >10Moz Au) and consulting to BHP Billiton's iron ore and coal divisions.



## Directors' Report (Continued)

### COMPANY SECRETARY

#### Eryn Kestel B. Bus, CPA

Eryn is a Certified Practising Accountant with more than 28 years corporate experience that includes over 13 years' in the role of Company Secretary for ASX listed companies.

Ms Kestel has not held any listed directorships over the past three years.

### INTERESTS IN THE SECURITIES OF THE COMPANY<sup>^</sup>

As at the date of this report the interests of the Directors in the securities of Manhattan Corporation Limited are:

Director	Ordinary Shares	Options over Ordinary Shares exercisable at 1 cent each	Performance Shares
M. Cardaci	3,567,241	-	-
J. Balkau	25,896,554	6,474,138	38,844,831
J. Seton	25,578,761	-	-

Note: Includes shares held directly, indirectly and beneficially by Key Management Personnel.

### RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Manhattan Corporation for the year to 30 June 2020 was \$530,765 (30 June 2019: \$1,441,011).

### DIVIDENDS

No dividend was paid or declared by the Group in the period and up to the date of this report.

### CORPORATE STRUCTURE

Manhattan Corporation Limited is a Company limited by shares, which is incorporated and domiciled in Australia.

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the period, the principal activity was mineral exploration and development and evaluation of mineral projects and corporate opportunities in the resource sector worldwide.

### EMPLOYEES

The Group has nil employees at 30 June 2020 (30 June 2019: Nil).

For personal use only



## Directors' Report (Continued)

---

### REVIEW OF OPERATIONS

#### Placements and Acquisition

- Manhattan Corporation Limited ("Manhattan" or the "Company") announced the Board's intention to acquire a new high-grade gold project in NSW (Acquisition) (ASX Announcement 2 December 2019).
- The Company announced a Placement on 6 December 2019 of 185,000,000 fully paid Ordinary Shares at an issue price of \$0.005 per Share. Funds were directed towards ongoing exploration programs.
- On 23 January 2020, Shareholders at the Company's General Meeting approved the acquisition of 100% of Awati Resources Pty Ltd, the owner of the Tibooburra Gold Project located in north-western NSW. All necessary Acquisition pre-conditions were completed by 6 April 2020.
- In April 2020, all necessary environmental approvals were received for Manhattan to progress the planned initial 2,500 metre Reverse Circulation (RC) drill program at New Bendigo. Drilling commenced early May 2020.
- On 25 June 2020, Manhattan announced the drilling at New Bendigo had discovered a new shallow high-grade gold "western Lode", requiring immediate follow up with 5,000 metres of additional RC drilling at New Bendigo to commence in early August 2020.
- On 6 July 2020, Manhattan announced the completion of a Placement which meant the Company was funded to progress to additional RC drilling at New Bendigo. 200,000,000 fully paid Ordinary Shares were issued at \$0.017 per Share to institution, professional and sophisticated investors, including existing Shareholders.

#### Board Changes

- Mr Jens Balkau was appointed to the board of Manhattan as Non-Executive Director and Technical Advisor on 6 April 2020.
- Mr Robert Perring stepped down from the Board on 6 April 2020.

#### Key Personnel Changes

- Mr Kell Nielsen was appointed as Chief Executive Officer on 23 April 2020.

#### Unlisted Option Issue

- On 28 April 2020, the Company issued 14,000,000 Unlisted Options, exercisable at \$0.01 on or before 28 April 2023 to the Chief Executive Officer, Administration Manager and Company Secretary in recognition of their committed efforts to enable the Company to complete the acquisition of Awati Resources Pty Ltd.

For personal use only



## Directors' Report (Continued)

### TIBOOBURRA GOLD PROJECT

#### New South Wales

Manhattan acquired 100% of the business and assets of Awati Resources Pty Ltd (Awati) on 06 April 2020. The acquisition included the Tibooburra Gold Project located in the Far NW of New South Wales.

Awati was established with the principal objective of exploring for and discovering high-value mineral deposits, resulting in an early focus on high-grade gold systems located near Tibooburra.

At the time of the proposed acquisition (December 2019), the Tibooburra Gold Project comprised a contiguous land package of 10 granted exploration licences that are located approximately 200km north of Broken Hill. It stretches 160km south from the historic Tibooburra townsite and incorporates a large proportion of the Albert Goldfields (which produced in excess of 50,000 to 100,000 ounces of Au from auriferous quartz vein networks and alluvial deposits that shed from them during its short working life), along the gold-anomalous (soil, rock and drilling geochemistry, gold workings) New Bendigo Fault, to where it merges with the Koonenberry Fault, and then strikes further south on towards the recently discovered Kayrunnera gold nugget field. The area is conveniently accessed via the Silver City Highway, which runs N-S through the project area.

Since acquisition of Awati, Manhattan has added a further four exploration licence applications to increase the current tenure of the project to over 2,000 km<sup>2</sup>.

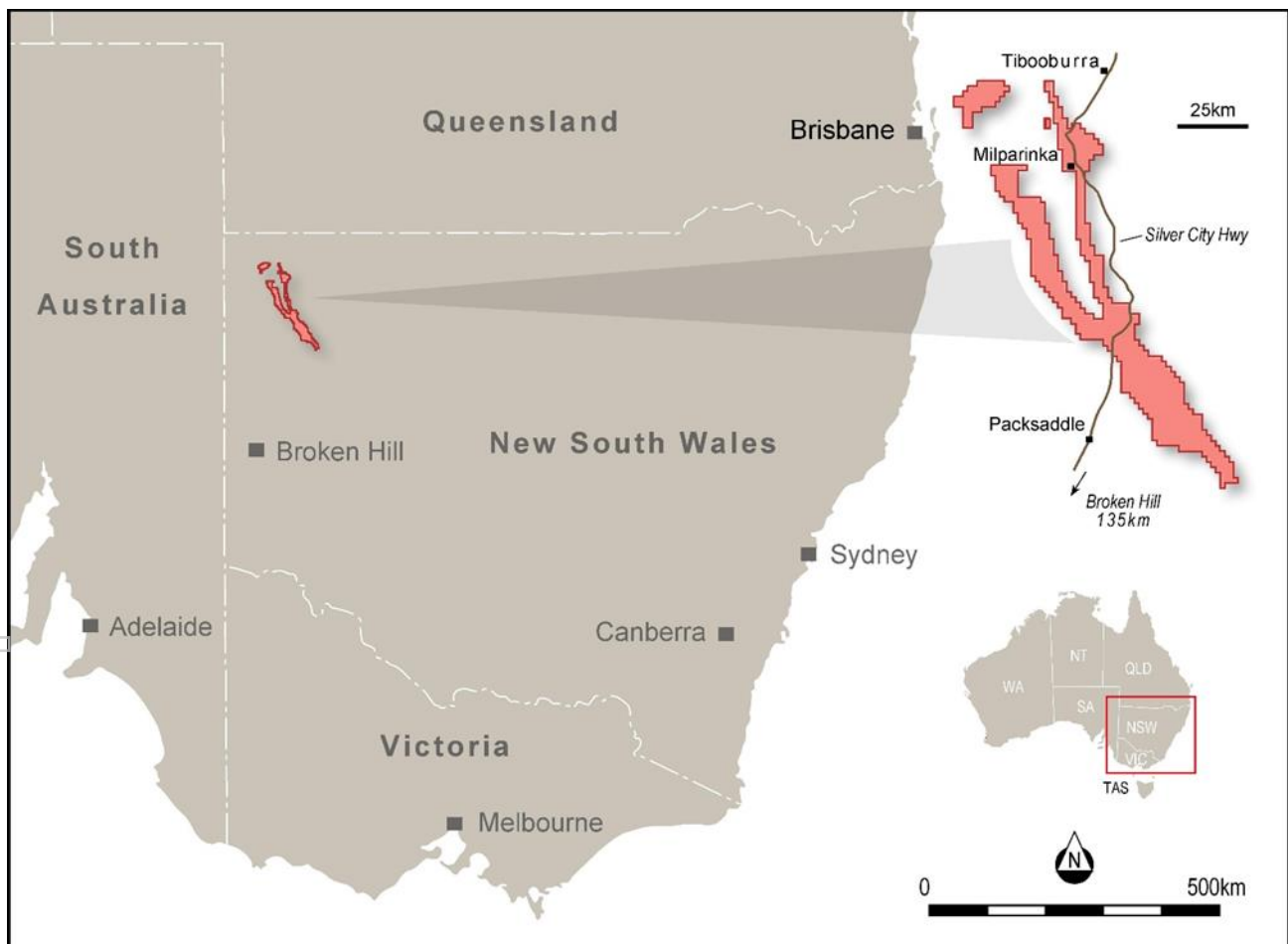
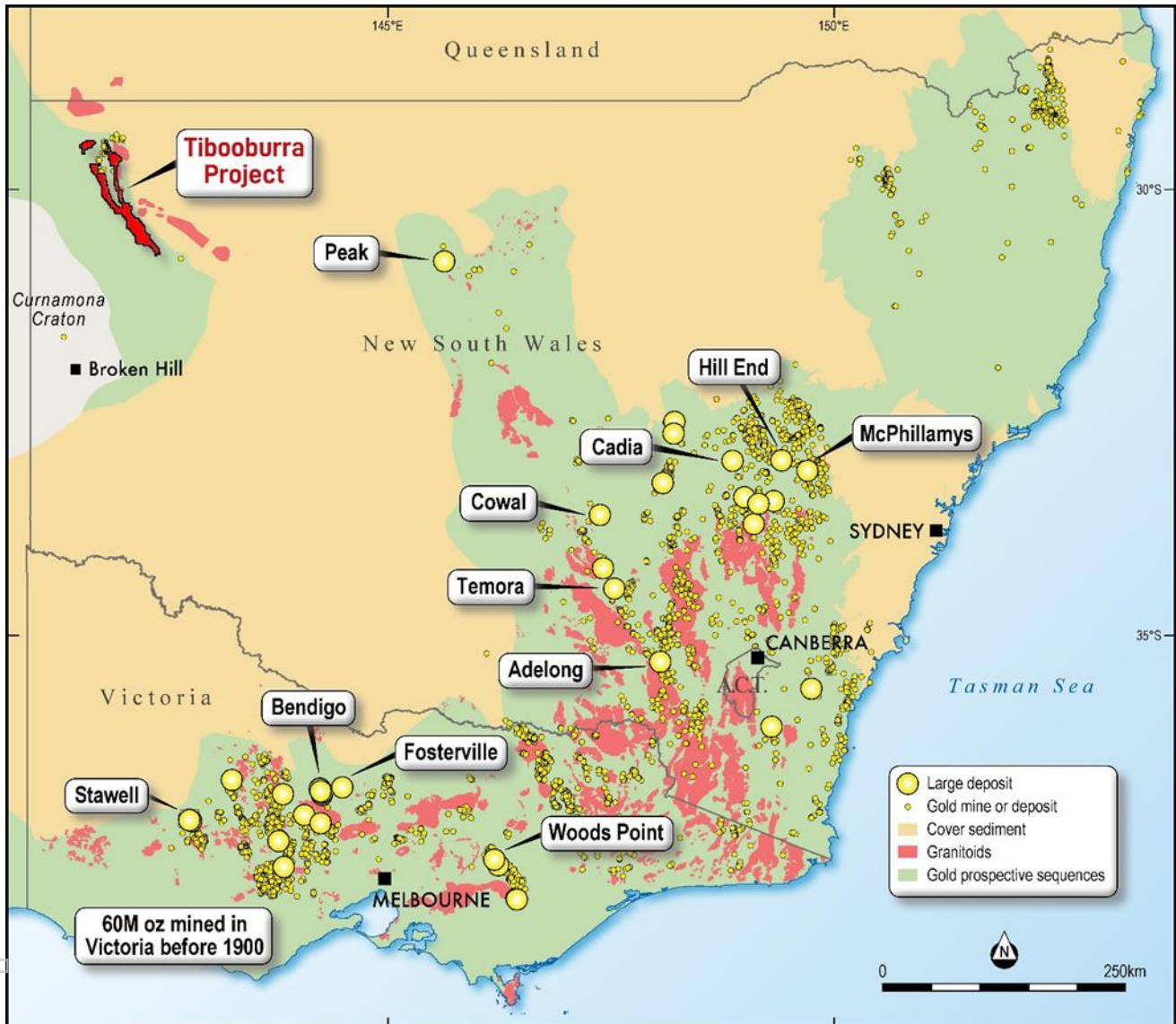


Figure 1 | Location of the Tibooburra Gold Project.



## Directors' Report (Continued)

After a detailed study of the Tibooburra District, GSNSW geoscientists (Greenfield and Reid, 2006) concluded that 'mineralisation styles and structural development in the Tibooburra Goldfields are remarkably similar to the Victorian Goldfields in the Western Lachlan Orogen'. In their detailed assessment and comparison, they highlighted similarities in the style of mineralisation, mineral associations, metal associations, hydrothermal alteration, structural setting, timing of metamorphism and the age of mineralisation, association with I-type magmatism, and the character of the sedimentary host rocks. Mineralisation in the Tibooburra Goldfields is classified as orogenic gold and is typical of turbidite-hosted/slate-belt gold provinces (Greenfield and Reid, 2006).



**Figure 2 | Prospective Palaeozoic gold terrains (green shading) of NSW and Victoria.**

Manhattan completed its Maiden RC Drilling programme on the New Bendigo Prospect at Tibooburra in April 2020. In total, thirty-two (32) Reverse Circulation Drill (RC) Holes (NB0001-0032) were completed for 3,020 metres.

Drilling targeted and proved:

- the down-plunge extension of the interpreted north-plunging, high-grade shoot; and
- potential for parallel shoots located either underneath or parallel to the initial lode (s) that was first reflected by historical RAB drilling.

For personal use only





## Directors' Report (Continued)

In addition to the planned programme, a further two RC Holes (NB0023-24) were completed approximately 250 metres to the west of the main zone to test shallow anomalousness reported in historic RAB drilling.

The two southern holes returned intense and extensive quartz veined, silica, sericite and pyrite alteration zones (Figure 2) of much greater intercepted thickness to that encountered from drilling completed within the main zone. Results from these precursory holes, include:

- 7m at 18.16 g/t Au from 87m (NB0023); and
- 5m at 1.12 g/t Au from 50m (NB0024).

Drilling completed on the historic line ("Main Zone") at New Bendigo confirmed and strengthened the initial structural interpretation of a series of north plunging high grade shoots within a broader lower grade envelope. The limited drilling has defined the potential for at least three separate plunging shoots within the north and southern areas, which are open at depth.

Completed drilling conducted on the "Main Zone" has only encompassed a small portion of an elongated 5km long soil anomaly, where historic workings extend over 1.7 km of strike. These shoots remain open down-plunge (under transported cover to the north) with the deeper shoots also open to the south.

Drilling returned significant results, including:

- 2m at 17.30 g/t Au from 87m (NB0021);
- 2m at 13.71 g/t Au from 89m (NB0032);
- 2m at 9.28 g/t Au from 73m (NB0027);
- 2m at 3.14 g/t Au from 14m (NB0006);
- 1m at 6.24 g/t Au from 20m (NB0031).

### References

Greenfield J and Reid W, 2006. Orogenic gold in the Tibooburra area of north-western NSW – a ~440Ma ore system with comparison to the Victoria Goldfields. *ASEG Extended Abstracts, 2006:1, 1-8, DOI: 10.1071/ASEG2006ab059.*

### Competent Person Statement for the Tibooburra Gold Project

The information in this Report that relates to Exploration Results for the Tibooburra Project is based on information review and collected by Mr Kell Nielsen who is contracted as Chief Executive Officer to Manhattan Corporation Limited and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Nielsen has sufficient experience which is relevant to this style of mineralisation and type of deposit under consideration and to the overseeing activities which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Nielsen consents to the inclusion in the report of the matters based on his reviewed information in the form and context in which it appears.



## Directors' Report (Continued)

### PONTON URANIUM PROJECT

#### Western Australia

The Ponton Uranium Project is a potential future low-cost in-situ metal recovery (ISR) development opportunity located in Western Australia.

Manhattan's key licence at Ponton, E28/1898, is located within the remote Queen Victoria Spring Nature Reserve (QVSNR), 200km east northeast of Kalgoorlie. The WA state Labor government's policies of not to approve new uranium mines, or to allow mineral exploration in reserves, suggests there is little likelihood of progressing the exploration and development of the Ponton uranium project over the next four-year term of the present WA government.

Manhattan will maintain its Ponton Uranium Project with a view that the uranium price may improve in the future and the WA government will change or its policies on uranium approvals and exploration access to reserves will change.

#### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during year to 30 June 2020 and up to the date of this report.

#### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events after the balance date apart from the following.

- On 6 July 2020, the Company announced a Placement of 200,000,000 Shares at an issue price of \$0.017 to raise Placement funds of \$3,400,000. The Placement was settled on 8 July 2020.

#### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are set out in the above review of operations in this annual report. Any future prospects are dependent upon the results of future exploration and evaluation.

#### ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group carries or carried out operations that are subject to environmental regulations under legislation in Australia. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

#### SHARE OPTIONS

As at the date of this report, there were 214,000,001 unissued ordinary shares under options and 300,000,000 performance shares on issue. The details of the options at the date of this report are as follows:

Number	Exercise Price \$	Expiry Date
14,000,000	0.01	28 April 2023
200,000,001	0.01	1 August 2023
214,000,001		

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.



## Directors' Report (Continued)

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

### DIRECTORS' MEETINGS

During the period ended 30 June 2020, in addition to regular Board discussions, the number of meetings of directors held and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr Marcello Cardaci	1	1
Mr Jens Balkau <sup>1</sup>	-	-
Mr John Seton	1	1
Mr Robert Perring <sup>2</sup>	1	1

Notes:

- (1) Jens Balkau was appointed on 6 April 2020.
- (2) Robert Perring resigned on 6 April 2020.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Manhattan Corporation Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Manhattan Corporation complies with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the period, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

In accordance with ASX Listing Rule 4.10.3 the Company has elected to publish its Corporate Governance Statement on the Company website at <https://manhattcorp.com.au/corporate/corporate-governance/>.

### AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Manhattan Corporation with an Independence Declaration in relation to the audit of the financial report for the year ended 30 June 2020. A copy of that declaration is included on page 16.



## Directors' Report (Continued)

### REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and Executives of Manhattan Corporation Limited in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

The report contains the following sections:

1. Key Management Personnel covered by this Remuneration Report;
2. Remuneration Governance;
3. Details of Remuneration;
4. Share Based Remuneration;
5. Additional disclosures relating to options and shares; and
6. Service Agreements.

#### 1. Key Management Personnel covered by this Remuneration Report

The following were KMPs of the Group at any time during the years ended 30 June 2019 and 30 June 2020 and unless otherwise indicated, KMPs for the entire period:

Non-Executive Directors	Other Key Management Personnel
Mr Marcello Cardaci Mr Jens Balkau <sup>1</sup> Mr John Seton Mr Robert Perring <sup>2</sup>	Mr Kell Nielsen <sup>3</sup>

Notes:

- (1) Jens Balkau was appointed on 6 April 2020.
- (2) Robert Perring resigned on 6 April 2020.
- (3) Kell Nielsen was appointed as CEO on the 23 April 2020 and previously provided consulting services.

There were no other changes to KMPs after the reporting date and before the date of the financial report.

#### 2. Remuneration Governance

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Currently the Group does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Group and number of Directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal Charter.



## Directors' Report (Continued)

### 3. Details of Remuneration

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group are as follows:

	Short Term			Post employment Superannuation	Options	Total	Performance Related %
	Base Salary	Directors Fees	Consulting Fees		Share Based Payment		
	\$	\$	\$	\$	\$	\$	
<b>30 June 2020</b>							
<b>Director</b>							
Mr. M Cardaci	-	36,000	18,000	-	-	54,000	-
Mr. J Balkau <sup>1</sup>	-	6,000	-	-	12,948	18,948	-
Mr. R Perring <sup>2</sup>	-	18,000	13,500	-	-	31,500	-
Mr. J Seton	-	24,000	-	-	-	24,000	-
<b>Other KMP</b>							
Mr K Nielsen <sup>3</sup>	-	-	120,949	-	39,000	159,949	32.2%
<b>Total</b>	-	84,000	152,449	-	51,948	288,397	-
<b>30 June 2019</b>							
<b>Director</b>							
Mr. M Cardaci	-	36,000	-	-	-	36,000	-
Mr. R Perring <sup>2</sup>	-	27,000	22,000	-	-	49,000	-
Mr. J Seton	-	24,000	-	-	-	24,000	-
<b>Total</b>	-	87,000	22,000	-	-	109,000	-

Notes:

- (1) Jens Balkau was appointed on 6 April 2020. The share-based payment included in the table relate to the acquisition of Awati Resources Pty Ltd.
- (2) Robert Perring resigned on 6 April 2020.
- (3) Kell Nielsen was appointed as CEO on the 23 April 2020 and previously provided consulting services.

### 4. Share Based Remuneration

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant date	Grant number	Expiry date	Value per options at grant date	Value of options at grant date	Exercise price	No. Vested	No. Expired
<b>Director</b>								
Mr. J Balkau <sup>1</sup>	6/04/2020	6,474,138	1/08/2023	\$0.002	\$12,948	\$0.01	6,474,138	-
Mr. M Cardaci	28/11/2014	2,000,000	28/11/2019	\$0.013	\$26,000	\$0.01	-	2,000,000
Mr. J Seton	28/11/2014	2,000,000	28/11/2019	\$0.013	\$26,000	\$0.01	-	2,000,000
<b>Other KMP</b>								
Mr K Nielsen <sup>2</sup>	6/04/2020	10,000,000	28/04/2023	\$0.004	\$39,000	\$0.01	10,000,000	-
<b>Total</b>		20,474,138					16,474,138	4,000,000

Notes:

- (1) Jens Balkau was appointed on 6 April 2020.
- (2) Kell Nielsen was appointed as CEO on the 23 April 2020 and previously provided consulting services.

Options over shares in Manhattan are granted to Directors, consultants and employees as consideration and are approved by a general meeting of shareholders. The options are designed to provide long term incentives for executives and non-executives to deliver long term shareholder returns. Participants are granted options which are granted for no issue consideration and the exercise prices will be such price as determined by the board, at its absolute discretion, on or before the date of issue.



## Directors' Report (Continued)

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

Options granted as part of remuneration have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the expected time to maturity of the option. Options granted under the plan carry no dividend or voting rights.

During the year there were no options provided as remuneration to Directors or other Key Management Personnel of the Company. When exercisable, each option is convertible into one ordinary share of Manhattan.

### 5. Additional disclosures relating to options and shares

#### *Share holdings of Key Management Personnel<sup>1</sup>*

The number of shares in the Company held during the period and up to the date of this report by each director and executive of Manhattan Corporation Limited, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

	Opening Balance	Number Issued	Share Purchases	Share Sales or Other changes	Closing Balance
<b>30 June 2020</b>					
<b>Director</b>					
Mr. M Cardaci	3,567,241	-	-	-	3,567,241
Mr. J Balkau <sup>1</sup>	-	25,896,554	-	-	25,896,554
Mr. R Perring <sup>2</sup>	15,000,000	-	-	15,000,000	-
Mr. J Seton <sup>3</sup>	25,578,761	-	-	-	25,578,761
<b>Other KMP</b>					
Mr K Nielsen <sup>4</sup>	-	-	-	-	-
<b>Total</b>	<b>44,146,002</b>	<b>25,896,554</b>	<b>-</b>	<b>15,000,000</b>	<b>55,042,556</b>
<b>30 June 2019</b>					
<b>Director</b>					
Mr. M Cardaci	3,567,241	-	-	-	3,567,241
Mr. R Perring <sup>2</sup>	15,000,000	-	-	-	15,000,000
Mr. J Seton	25,578,761	-	-	-	25,578,761
<b>Total</b>	<b>44,146,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,146,002</b>

Notes:

Includes shares held directly, indirectly and beneficially by Key Management Personnel.

- (1) Jens Balkau was appointed on 6 April 2020. Shares issued in the table relate to the acquisition of Awati Resources Pty Ltd.
- (2) Robert Perring resigned on 6 April 2020. Shares deemed to be disposed upon resignation from the Company.
- (3) John Seton's holding has been adjusted to include his beneficial holding from Claymore Trustees of 1,575,785, which was previously recorded as Claymore's total holding of 3,022,161.
- (4) Kell Nielsen was appointed as CEO on the 23 April 2020 and previously provided consulting services.



## Directors' Report (Continued)

### Option holdings of Key Management Personnel<sup>^</sup>

The numbers of options over ordinary shares in the Company held during the period by each director of Manhattan Corporation Limited and specified executive of the group, including their personally related parties, are set out below:

	Opening Balance	Number Issued	Number Exercised	Expired or other changes	Closing Balance	Vested options	
						Exercisable	Non-exercisable
<b>30 June 2020</b>							
<b>Director</b>							
Mr. M Cardaci	2,000,000	-	-	(2,000,000)	-	-	-
Mr. J Balkau <sup>1</sup>	-	6,474,138	-	-	6,474,138	6,474,138	-
Mr. R Perring <sup>2</sup>	-	-	-	-	-	-	-
Mr. J Seton	2,000,000	-	-	(2,000,000)	-	-	-
<b>Other KMP</b>							
Mr K Nielsen <sup>3</sup>	-	10,000,000	-	-	10,000,000	10,000,000	-
<b>Total</b>	<b>4,000,000</b>	<b>16,474,138</b>	<b>-</b>	<b>4,000,000</b>	<b>16,474,138</b>	<b>16,474,138</b>	<b>-</b>
<b>30 June 2019</b>							
<b>Director</b>							
Mr. M Cardaci	2,000,000	-	-	-	2,000,000	2,000,000	-
Mr. R Perring <sup>2</sup>	-	-	-	-	-	-	-
Mr. J Seton	2,000,000	-	-	-	2,000,000	2,000,000	-
<b>Total</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>-</b>

#### Notes:

Includes shares held directly, indirectly and beneficially by Key Management Personnel.

- (1) Jens Balkau was appointed on 6 April 2020. Options issued in the table relate to the acquisition of Awati Resources Pty Ltd.
- (2) Robert Perring resigned on 6 April 2020.
- (3) Kell Nielsen was appointed as CEO on the 23 April 2020 and previously provided consulting services.

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

## 6. Service Agreements

### Non-Executive Directors

The Non-Executive Directors on appointment, enter into a service agreement with the Company in the form of a letter appointment and are paid an annual fee on a monthly basis. The letter summarises the Board policies and terms, including compensation, relevant to the office of Non-Executive Director.

The Non-Executive Directors are also entitled to fees for other amounts as the board determines where they perform special duties or otherwise performs extra services or make special exertions on behalf of the Company. These fees are included as short-term consulting fees as outlined in the tables included in the Remuneration Report.

In determining whether a Non-Executive Director should perform any additional services on behalf of the Company, the board takes into consideration factors such as the cash flow impact of employing an independent contractor, the relevant experience and technical expertise required in performing any services and relevant additional credentials required to perform a particular task.



## Directors' Report (Continued)

---

The aggregate fee remuneration for Non-Executive Directors has been set at an amount not to exceed \$200,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

### *Other transactions with Key Management Personnel and their related parties*

Jura Trust Limited (a Company of which Mr Seton is a director), as trustee of the Jura Trust, charged the Group director's fees for the twelve months totalling \$24,000 (2019: \$24,000). This amount is not in addition to the fees included in the remuneration table within this remuneration report. \$2,000 (2019: \$2,000) was outstanding at period end.

These transactions have been entered into on normal commercial terms.

### End of Remuneration Report (Audited)

Signed on behalf of the board in accordance with a resolution of the Directors.

**Marcello Cardaci**  
**Non-Executive Chairman**  
30 September 2020





Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 [www.rothsayresources.com.au](http://www.rothsayresources.com.au)

The Directors  
Manhattan Corporation Limited  
Level 2  
33 Colin Street  
West Perth WA 6005

Dear Directors

In accordance with Section 307C of the *Corporations Act 2001* (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2020 financial statements; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Manhattan Corporation Limited and the entities it controlled during the year.

A handwritten signature in black ink that reads 'Dalla'.

Daniel Dalla CA (Lead auditor)  
Partner  
Rothsay Auditing

Dated 29 September 2020





## Consolidated Statement of Comprehensive Income

	Notes	Consolidated	
		30 June 2020	30 June 2019
		\$	\$
<b>Revenue from continuing operations</b>			
Interest income		1,187	5,368
		<u>1,187</u>	<u>5,368</u>
<b>Expenses</b>			
Public company costs		(51,798)	(50,120)
Consulting and Directors' fees		(248,027)	(159,876)
Legal fees		(90,778)	(46,506)
Impairment of exploration expenditure		(28,151)	(1,082,207)
Administrative expenses		(58,176)	(107,670)
Share based payments	20	(55,022)	-
<b>Loss before income tax</b>		<u>(530,765)</u>	<u>(1,441,011)</u>
Income tax expense	8	-	-
<b>Net loss for the period</b>		<u>(530,765)</u>	<u>(1,441,011)</u>
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive loss for the period</b>		<u>(530,765)</u>	<u>(1,441,011)</u>
<b>Loss per share attributable to owners of Manhattan Corporation Limited</b>			
Basic and diluted loss per share (cents per share)	7	0.06	0.21

For personal use only



## Consolidated Statement of Financial Position

	Notes	Consolidated	
		30 June 2020	30 June 2019
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10	974,281	1,031,661
Trade and other receivables	11	159,870	6,797
<b>TOTAL CURRENT ASSETS</b>	5b	1,134,151	1,038,458
<b>NON-CURRENT ASSETS</b>			
Deferred exploration and evaluation expenditure	12	1,546,142	-
<b>TOTAL NON-CURRENT ASSETS</b>		1,546,142	-
<b>TOTAL ASSETS</b>		2,680,293	1,038,458
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	73,225	25,147
<b>TOTAL CURRENT LIABILITIES</b>		73,225	25,147
<b>TOTAL LIABILITIES</b>		73,225	25,147
<b>NET (DEFICIENCY) / ASSETS</b>		2,607,068	1,013,311
<b>EQUITY</b>			
Issued capital	14	22,429,938	20,560,438
Reserves	15	5,112,350	4,857,328
Accumulated losses		(24,935,220)	(24,404,455)
<b>TOTAL EQUITY</b>		2,607,068	1,013,311



## Consolidated Statement of Cash Flows

	Notes	Consolidated	
		30 June 2020	30 June 2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(470,022)	(1,007,321)
Proceeds from R&D refund		67,589	-
Interest received		1,187	5,368
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	10	(401,246)	(1,001,953)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Expenditure on exploration		(525,634)	(804,207)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(525,634)	(804,207)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		925,000	2,900,000
Share issue costs		(55,500)	(102,978)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		869,500	2,797,022
Net (decrease) / increase in cash held		(57,380)	990,862
Cash and cash equivalents at beginning of period		1,031,661	40,799
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	10	974,281	1,031,661



## Consolidated Statement of Changes in Equity

	Notes	Issued capital \$	Accumulated losses \$	Share based payment reserves \$	Total \$
<b>At 1 July 2018</b>		17,763,416	(22,963,444)	4,857,328	(342,700)
Loss for the year		-	(1,441,011)	-	(1,441,011)
Other comprehensive loss		-	-	-	-
Total comprehensive loss		-	(1,441,011)	-	(1,441,011)
Transactions with owners in their capacity as owners					
Issue of share capital		2,900,000	-	-	2,900,000
Share issue costs		(102,978)	-	-	(102,978)
<b>At 1 July 2019</b>	<b>14 &amp; 15</b>	<b>20,560,438</b>	<b>(24,404,455)</b>	<b>4,857,328</b>	<b>1,013,311</b>
Loss for the period		-	(530,765)	-	(530,765)
Other comprehensive loss		-	-	-	-
Total comprehensive loss		-	(530,765)	-	(530,765)
Transactions with owners in their capacity as owners					
Issue of share capital		925,000	-	-	925,000
Consideration issues		1,000,000	-	200,000	1,200,000
Incentive option issues		-	-	55,022	55,022
Share issue costs		(55,500)	-	-	(55,500)
<b>At 30 June 2020</b>	<b>14 &amp; 15</b>	<b>22,429,938</b>	<b>(24,935,220)</b>	<b>5,112,350</b>	<b>2,607,068</b>



### NOTES TO THE FINANCIAL STATEMENTS

---

FOR THE YEAR ENDING 30 JUNE 2020

#### 1. CORPORATE INFORMATION

The financial report of Manhattan Corporation Limited (“Manhattan Corporation” or “the Company”) and its controlled entities (“the Group”) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 30 September 2020.

Manhattan Corporation Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and the principal activities of the Group are described in the Directors’ Report.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Financial Statements are for the consolidated entity consisting of Manhattan Corporation Limited and its subsidiary. The Financial Statements are presented in the Australian currency. Manhattan Corporation Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the Directors on 30 September 2020. The Directors have the power to amend and reissue the financial statements.

##### (a) Basis of Preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

##### **Compliance with IFRS**

The Financial Statements of Manhattan Corporation Limited also complies with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

##### **Historical Cost Convention**

These Financial Statements have been prepared under the historical cost convention.

##### **Critical Accounting Estimates**

The preparation of financial statements in requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.



## Notes to the Financial Statements (Continued)

### **Going Concern**

The Company incurred a loss for the year of \$530,765 (2018: \$1,441,011) and a net cash outflow from operating activities of \$401,246 (2019: \$1,001,953).

At 30 June 2020 the Group had cash assets of \$974,281 (2019: \$1,031,661) and working capital of \$1,060,926 (2019: \$1,013,311).

The Directors consider it appropriate that the finance report be prepared on a going concern basis.

### **(b) Basis of Consolidation**

The consolidated Financial Statements incorporate the assets and liabilities of the Company's wholly owned subsidiary Manhattan Resources Pty Ltd and Awati Resources Pty Ltd as at 30 June 2019 and the results of the subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The Financial Statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

Investments in subsidiaries are accounted for at cost in the Statement of Financial Position of the Company.

### **(c) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

### **(d) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

For personal use only



The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### (e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the year ending 30 June and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### (f) Impairment of Assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

For personal use only





### (g) Acquisition of Assets

Assets including exploration interests acquired are initially recorded at their cost of acquisition on the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the end of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value.

### (h) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### (i) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

### (j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of Financial Year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### (k) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

For personal use only



### (l) Investments and Other Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, or at amortised cost, as appropriate. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

#### ***Financial Assets at Fair Value Through Profit or Loss***

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset at fair value through profit or loss if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the year ending 30 June.

#### ***Amortised Cost***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the year ending 30 June which are classified as non current assets. Loans and receivables are included in receivables in the year ending 30 June.

#### ***Available for Sale Financial Assets***

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

### (m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the year ending 30 June.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.



### (n) Employee Benefit Provisions

#### ***Wages and Salaries, Annual Leave and Sick Leave***

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the year ending 30 June are recognised in respect of employees' services rendered up to the year ending 30 June and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries, and annual leave are included as part of Other Payables.

#### ***Long Service Leave***

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the year ending 30 June using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the year ending 30 June with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### ***Share Based Payments***

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity settled transactions").

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined by using a Black and Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Manhattan ("Market Conditions").

### (o) Earnings Per Share

#### ***Basic Earnings Per Share***

Basic earnings per share is calculated by dividing profit/(loss) attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the Financial Year, adjusted for bonus elements in ordinary shares issued during the year.

For personal use only



### ***Diluted Earnings Per Share***

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversions of all dilutive potential ordinary shares.

### **(p) New Accounting Standards and UIG Interpretations**

#### *Standards and Interpretations applicable to 30 June 2020*

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

#### *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

## **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### ***Key Estimates: Impairment of Exploration and Exploration Expenditure***

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined by Value in use calculations performed in assessing recoverable amounts and incorporate a number of key estimates. The Group has made an impairment charge for the year which has been recognised in the Income Statement.

### ***Share Based Payment Transactions***

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

For personal use only



## Notes to the Financial Statements (Continued)

### 4. SEGMENT INFORMATION

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

### 5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments, however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

#### (a) Market Risk

##### (i) *Foreign Exchange Risk*

The Group does not currently operate internationally and therefore its exposure to foreign exchange risk arising from currency exposures is limited.

##### (ii) *Price Risk*

The Group does not currently hold any equity investments so it is not exposed to equity securities price risk. The Group is not exposed to commodity price risk as the Group is still carrying out exploration.

##### (iii) *Cash Flow and Fair Value Interest Rate Risk*

The Group's only interest rate risk arises from cash and cash equivalents. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

#### (b) Credit Risk

Credit risk is managed by the Board for the Group. Credit risk arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions. All cash balances held at banks are held at internationally recognised institutions, with minimum independently rated rates of 'A'. The majority of receivables are immaterial to the Group. Given this



## Notes to the Financial Statements (Continued)

the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates.

The maximum exposure to credit risk is the carrying amount of the financial assets of cash and trade and other receivables to the value of \$1,134,151 (2019: \$1,038,458).

The following financial assets of the Group are neither past due or impaired:

	30 June 2020	30 June 2019
	\$	\$
Cash and cash equivalents	974,281	1,031,661
Trade and other receivables	159,870	6,797
	1,134,151	1,038,458

### (c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet liabilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade and other payables incurred in the normal course of the business of \$73,225 (2019: \$25,147). These were non-interest bearing and were due within the normal 30 to 60 days terms of creditor payments. The Group had no borrowings during the year and has therefore not undertaken any further analysis of risk exposure.

### (d) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less any required impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

## 6. INVESTMENT IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(b).

Name of Entity	Country of Incorporation	Equity Holding as at 30 June 2020	Equity Holding as at 30 June 2019
Manhattan Resources Pty Ltd	Australia	100%	100%
Awati Resources Pty Ltd ("Awati")	Australia	100%	0%

For personal use only



## Notes to the Financial Statements (Continued)

### 7. LOSS PER SHARE

	30 June 2020	30 June 2019
Loss used in calculating basic and dilutive EPS	(530,765)	(1,441,011)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	890,377,054	692,018,419

There is no impact from 214,000,001 options and 300,000,000 performance shares outstanding at 30 June 2020 (2019: 116,000,001 options) on the loss per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

### 8. INCOME TAX EXPENSE

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
<b>(a) Income tax expense</b>		
Major component of tax expense for the period:		
Current tax	-	-
Deferred tax	-	-
Under (Over) provided in prior years	-	-
	-	-
<b>(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.</b>		
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable tax rate is as follows:		
Loss from continuing operations before income tax expense	530,765	1,441,011
Tax at the group rate of 27.5%	145,960	396,278
Income tax benefit not brought to account	(145,960)	(396,278)
Income tax expense	-	-

For personal use only



## Notes to the Financial Statements (Continued)

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
<b>(c) Deferred tax</b>		
The following deferred tax balances have not been brought to account:		
<i>Liabilities</i>		
Capitalised exploration and evaluation expenditure	-	241,262
Offset by deferred tax assets	-	(241,262)
Deferred tax liability recognised	-	-
Losses available to offset against future taxable income	5,085,440	5,879,219
Share issue costs deductible over five years	36,814	31,321
Accrued expenses	24,400	5,500
Deferred tax assets offset against deferred tax liabilities	-	(221,157)
Deferred tax assets not brought to account as realisation is not regarded as probable	(5,114,654)	(5,694,883)
Deferred tax asset recognised	-	-
<b>(d) Unused tax losses</b>		
Unused tax losses	16,228,870	18,338,793
Unused capital losses	2,369,872	2,369,872
	18,598,742	20,708,665
Potential tax benefit not recognised at 27.5%	5,114,654	5,694,883

The benefit for tax losses will only be obtained if:

- (i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and
- (iii) no changes in tax legislation in Australia, adversely affect the Group in realising the benefit from the deductions for the losses.

### 9. DIVIDENDS PAID OR PROPOSED

There were no dividends paid or proposed during the year.

For personal use only





## Notes to the Financial Statements (Continued)

### 10. CASH AND CASH EQUIVALENTS

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	\$	\$
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash comprises of:		
Cash at bank	974,281	1,031,661

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	\$	\$
<b>Reconciliation of operating loss after tax to the cash flows from operations</b>		
Loss from ordinary activities after tax	(530,765)	(1,441,011)
<b>Non-cash items</b>		
Exploration expenditure written off	28,151	1,082,207
Share based payments	55,022	-
Awati acquisition adjustments	151,341	-
<b>Change in assets and liabilities</b>		
Decrease / (increase) in trade and other receivables	(153,073)	3,500
(Decrease) / increase in trade and other payables	48,078	(646,649)
<b>Net cash outflow used in operating activities</b>	<b>(401,246)</b>	<b>(1,001,953)</b>

Cash at bank and in hand earns interest at floating interest rates based on the daily bank rates.



## Notes to the Financial Statements (Continued)

### 11. TRADE AND OTHER RECEIVABLES (CURRENT)

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Security deposits	100,000	-
GST receivable	54,670	6,597
Other	5,200	200
	<b>159,870</b>	<b>6,797</b>

Security deposits are provided for tenements as surety of potential rehabilitation works.

Other debtors and goods and services tax are non-interest bearing and generally receivable on 30-day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

#### (a) Fair Values and Credit Risk

Due to the short-term nature of these receivables the carrying values represent their respective fair values at 30 June 2020.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 5 for more information on the risk management policy of the Group and the credit quality of the entity's receivables.

#### (b) Other Receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

### 12. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
At beginning of the period	-	278,000
Exploration expenditure during the period	573,058	804,207
Acquisition of Awati exploration asset	1,001,235	-
Impairment loss	(28,151)	(1,082,207)
Total exploration and evaluation	<b>1,546,142</b>	<b>-</b>

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas. The impairment loss relates to the withdrawal from tenements held in Australia that the Group has made a decision not to continue exploration and wrote down the carrying value to nil.



## Notes to the Financial Statements (Continued)

### 13. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Trade creditors	19,346	25,147
Accruals	44,500	-
Other creditors	9,379	-
	<u>73,225</u>	<u>25,147</u>

Trade payables and other creditors are non-interest bearing and will be settled on 30 to 60-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

### 14. ISSUED CAPITAL

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
<b>(a) Issued capital</b>		
Ordinary shares fully paid	<b>22,429,938</b>	<b>20,560,438</b>

	30 June 2020		30 June 2019	
	Number of shares	\$	Number of shares	\$
<b>(b) Movement in shares on issue</b>				
At beginning of the period	741,278,693	20,560,438	161,278,693	17,763,416
Issue for cash	185,000,000	925,000	580,000,000	2,900,000
Consideration shares Awati acquisition	200,000,000	1,000,000	-	-
less fundraising costs	-	(55,500)	-	(102,978)
At 30 June	<u>1,126,278,693</u>	<u>22,429,938</u>	<u>741,278,693</u>	<u>20,560,438</u>

#### (c) Ordinary shares

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Group, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Group.



## Notes to the Financial Statements (Continued)

### (d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to \$2,607,068 at 30 June 2020 (2019: \$1,013,311). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at period end and not subject to any externally imposed capital requirements. Refer to note 5 for further information on the Group's financial risk management policies.

### (e) Share options

At 30 June 2020, there were 514,000,001 unissued ordinary shares under options (30 June 2019: 113,000,001 options). The details of the options and performance shares are as follows:

Description	Number	Exercise Price \$	Expiry Date
Listed Options	100,000,001	0.01	1 August 2023
Listed Options – Awati acquisition	100,000,000	0.01	1 August 2023
Performance shares – Awati acquisition	300,000,000	Nil	6 April 2025
Unlisted incentive options	14,000,000	0.01	28 April 2023
Total	514,000,001		

No option holder has any right under the options to participate in any other share issue of the Group or any other entity. 114,000,000 options and 300,000,000 performance shares were issued during the year, with 13,000,000 options expiring.

Information relating to the Manhattan Corporation Employee Share Option Plan, including details of options issued under the plan, is set out in note 20.

## 15. RESERVES

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Share based payment reserve	4,857,328	4,857,328

### Movements in Reserves

#### Share based payment reserve

At beginning of the period	4,857,328	4,857,328
Consideration listed options	200,000	-
Share based payment expense for incentive options	55,022	-
At end of period	5,112,350	4,857,328

The share-based payment reserve is used to record the value of equity benefits provided to directors, executives and employees as part of their remuneration and non-employees for their services. Refer to note 20 for further details of the options issued during the period.



## Notes to the Financial Statements (Continued)

### 16. RELATED PARTY TRANSACTIONS

#### (a) Details of key management personnel

The following persons were Key Management Personnel of Manhattan during the Financial Year:

Name	Position
Marcello Cardaci	Non-Executive Chairman
Jens Balkau	Non-Executive Director – appointed 6 April 2020
John Seton	Non-Executive Director
Robert Perring	Non-Executive Director – resigned 6 April 2020
Kell Neilsen	Chief Executive Officer – appointed 23 April 2020

#### (b) Remuneration of Key Management Personnel

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Short term employee benefits	236,449	109,000
Share based payments	51,948	-
Total remuneration	<u>288,397</u>	<u>109,000</u>

#### (c) Loans to Key Management Personnel

There were no loans made or outstanding to Directors of Manhattan and Key Management Personnel of the Company, including their personally related parties.

#### (d) Other Transactions with Key Management Personnel

##### (i) Marcello Cardaci

Marcello Cardaci is a consultant to Gilbert + Tobin Lawyers. Gilbert + Tobin Lawyers has provided legal services of \$85,623 (2019: \$38,020) to Manhattan during the year on normal commercial terms.

### 17. NON-CASH INVESTING AND FINANCING ACTIVITIES

There were no non-cash investing or financing activities during the year ended 30 June 2020.

### 18. SUBSEQUENT EVENTS AFTER END OF FINANCIAL YEAR

There were no subsequent events after the end of the financial year apart from the following.

- On 6 July 2020, the Company announced a Placement of 200,000,000 Shares at an issue price of \$0.017 to raise Placement funds of \$3,400,000. The Placement was settled on 8 July 2020.

For personal use only



## Notes to the Financial Statements (Continued)

### 19. AUDITOR'S REMUNERATION

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
The auditor of Manhattan Corporation Limited is Rothsay Auditing		
Amounts received or due and receivable by Rothsay Auditing for:		
- an audit or review of the financial report of the entity and any other entity in the Consolidated group	32,000	34,150
- tax compliance services in relation to the entity and any other entity in the consolidated group	2,000	-
	<u>34,000</u>	<u>34,150</u>

### 20. SHARE BASED PAYMENTS

#### (a) Options

All options granted are for ordinary shares in Manhattan Corporation Limited, which confer a right of one ordinary share for every option held.

	Expired options	Listed options <sup>1</sup>	Incentive unlisted options <sup>2</sup>
Grant Date	28 November 2017	6 April 2020	28 April 2020
Expiry Date	28 November 2019	1 August 2023	28 April 2023
Exercise price	\$0.01	\$0.01	\$0.01
Value per security	-	\$0.0020	\$0.0039
Balance 30 June 2019	13,000,000	100,000,001	-
Granted	-	100,000,000	14,000,000
Expired	(13,000,000)	-	-
Vested	-	-	-
Balance 30 June 2020	-	200,000,001	14,000,000

Notes:

- Listed options issue formed consideration for the acquisition of Awati Resources Pty Ltd.
- Incentive options were valued using a Black-Scholes option pricing model with the key inputs of the share price at grant date \$0.007, risk free rate 0.26% and volatility of 103.13%.



## Notes to the Financial Statements (Continued)

### (b) Acquisition of Exploration Asset – Awati Resources Pty Ltd

On 6 April 2020 the acquisition of Awati Resources Pty Ltd was completed with the following consideration.

- Consideration Shares – 200,000,000 fully paid ordinary share at a deemed issue price of \$0.005 which a subject to a voluntary escrow period of 12 months.
- Consideration Listed Options – 50,000,000 listed options with an exercise price of \$0.01 expiring on 1 August 2023. The deemed issue price is \$0.002.
- Advisor Listed Options – 50,000,000 listed options with an exercise price of \$0.01 expiring on 1 August 2023. The deemed issue price is \$0.002.
- Performance Shares – 300,000,000 performance shares, each entitling the holder to one ordinary share on the announcement of a JORC 2012 compliant resources of at least 500,000 ounces of gold, with a minimum cut-off grade of 0.5 g/T gold.

	Performance Shares
Grant Date	6 April 2020
Expiry Date	6 April 2025
Share price on grant date	\$0.005
Exercise Price	Nil
Volatility	103.13%
Risk-free rate	0.41%
Value of performance share	\$0.005

The acquisition of Awati Resources Pty Ltd is not considered to be a business combination under AASB 3 Business Combinations. No value has been attributed to Performance Shares as the value is not recognised until such a time as the Performance Shares vest upon conditions being met.

For personal use only



## Notes to the Financial Statements (Continued)

### 21. PARENT ENTITY INFORMATION

The following information related to the parent entity, Manhattan Corporation Limited, at 30 June 2019. The information presented here has been prepared using consistent accounting policies as presented in Note 2. In 2009 Manhattan acquired a 100% interest in Manhattan Resources Pty Ltd and this subsidiary has been consolidated since the acquisition on 21 July 2009 and Awati Resources Pty Ltd from 6 April 2020.

	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Current assets	973,566	1,038,130
Non-current assets	7,180,377	5,985,376
<b>Total Assets</b>	<b>8,153,943</b>	<b>7,023,506</b>
Current liabilities	45,406	25,147
Non-current liabilities	5,495,512	5,985,048
<b>Total Liabilities</b>	<b>5,540,918</b>	<b>6,010,195</b>
<b>Net Assets</b>	<b>2,613,025</b>	<b>1,013,311</b>
Issued capital	22,429,938	20,560,438
Share based payment reserve	5,112,350	4,857,328
Accumulated losses	(24,929,263)	(24,404,455)
<b>Total Equity</b>	<b>2,613,025</b>	<b>1,013,311</b>
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Loss for the period	(524,808)	(1,441,011)
Other comprehensive income for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>(524,808)</b>	<b>(1,441,011)</b>

For personal use only





## Notes to the Financial Statements (Continued)

### 22. COMMITMENTS

#### (a) Exploration Expenditure

	30 June 2020	30 June 2019
	\$	\$
Annual tenement rental obligations	41,310	-
Annual exploration expenditure commitments	827,500	-
	<u>868,810</u>	<u>-</u>

#### (b) Capital or Leasing Commitments

There are no capital or leasing commitments as at 30 June 2020.

### 23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are of the opinion that there are no contingent liabilities or contingent assets as at 30 June 2020.

### 24. INTERESTS IN JOINT VENTURES

Manhattan currently has no Joint Venture interests.

For personal use only



## Directors' Declaration

---

### DIRECTORS' DECLARATION

In the opinion of the Directors of Manhattan Corporation Limited ("**Manhattan**"):

- (a) The Financial Statements comprising the Consolidated Statements of Comprehensive Income, Financial Position, Cash Flows, Statement of Changes in Equity and the Notes to Accompany the Financial Statements as set out on pages 17 to 20 are in accordance with the *Corporations Act 2001*, and:
- (i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the financial position of Manhattan as at 30 June 2020 and of its performance for the Financial Year ended on that date.
- (b) In the Directors' opinion, there are reasonable grounds to believe that Manhattan will be able to pay its debts as and when they become due and payable;
- (c) The remuneration disclosures included in the Directors' Report (as part of the Audited Remuneration Report), for the year ended 30 June 2020, comply with section 300A of the *Corporations Act 2001*;
- (d) A statement that the attached Financial Statements are in compliance with International Financial Reporting Standards has been included in the Notes to the Financial Statements; and
- (e) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive and Chief Financial Officers for the Financial Year ended 30 June 2020.

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

**Marcello Cardaci**  
**Non-Executive Chairman**  
30 September 2020



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsayresources.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MANHATTAN CORPORATION LIMITED**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Manhattan Corporation Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MANHATTAN CORPORATION LIMITED (continued)

<b>Key Audit Matter - Cash and Cash Equivalents</b>	<b>How our Audit Addressed the Key Audit Matter</b>
<p>The Group's cash and cash equivalents make up 86% of total current assets by value and are considered to be the key driver of the Group's operations and exploration activities.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to a significant level of judgement.</p> <p>However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence of the Group's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none"><li>• Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger;</li><li>• Checking the appropriateness of foreign exchange rates used for cash and cash equivalents denominated in foreign currencies; and</li><li>• Agreeing significant cash holdings to independent third-party confirmations.</li></ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
<b>Key Audit Matter - Exploration and Evaluation Expenditure</b>	<b>How our Audit Addressed the Key Audit Matter</b>
<p>The Group incurred significant exploration and evaluation expenditure during the year.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"><li>• We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</li><li>• We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and</li><li>• We documented and assessed the processes and controls in place to record exploration and evaluation transactions.</li></ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>

For personal use only



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MANHATTAN CORPORATION LIMITED (continued)

***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx).

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For personal use only



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MANHATTAN CORPORATION LIMITED (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

***Report on the Remuneration Report***

***Opinion on the Remuneration Report***

We have audited the remuneration report included in the directors' report for the year ended 30 June 2020.

In our opinion the remuneration report of Manhattan Corporation Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

***Responsibilities***

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Auditing

Dated 30 September 2020

Daniel Dalla  
Partner

For personal use only



## ASX Additional Information

### ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 22 September 2020.

### Substantial Share Holders

there are no shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001.

### Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	70	34,286
1,001 - 5,000	125	367,469
5,001 - 10,000	95	838,320
10,001 - 100,000	936	45,335,911
100,001 and over	854	1,279,702,707
<b>TOTAL</b>	<b>2,080</b>	<b>1,326,278,693</b>

There were 236 holders of ordinary shares holding less than a marketable parcel.

### Top Twenty Share Holders

Rank	Name	Units	% Units
1	UBS Nominees Pty Ltd	55,602,344	4.19
2	Citicorp Nominees Pty Limited	52,855,671	3.99
3	Ausdrill International Pty Ltd	43,785,850	3.30
4	J & J Bandy Nominees Pty Ltd <J & J Brandy Super Fund A/c>	35,597,722	2.68
5	Mr Noel Ross Archer	35,106,291	2.65
6	Aralad Management Pty Ltd <TRK Superannuation Fund A/c>	31,581,196	2.38
7	Argonaut Equity Partners Pty Ltd	31,166,356	2.35
8	Jet Capital Pty Ltd <The Oscrow Family A/c>	31,000,000	2.34
9	Mr Jason Bontempo & Mrs Tiziana Battista <Morrison Super Fund A/c>	30,000,000	2.26
10	Balkau Family Pty Ltd<Balkau Family Super Fund A/c>	25,896,554	1.95
11	Minvest Securities (New Zealand) Limited	24,002,976	1.81
12	HSBC Custody Nominees (Australia) Limited	22,416,471	1.69
13	CS Fourth Nominees Pty Limited <HSBC Cust Nom AU Ltd 11 A/c>	21,522,869	1.62
14	BR Corporation Pty Ltd	20,000,000	1.51
15	Surf Coast Capital Pty Ltd <Minnie P/F A/c>	19,000,000	1.43
16	RWH Nominees Pty Ltd <RWH Nominee A/c>	15,959,849	1.20
17	JDJ Coughlan Drilling Pty Ltd	15,700,000	1.18
18	Kero Investments Pty Ltd	13,500,000	1.02
19	Jalaver Pty Ltd <Falcon Pension A/c>	12,500,000	0.94
20	Longbrow Geological Services Pty Ltd <Archer Family A/c>	11,509,464	0.87
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>548,703,613</b>	<b>41.37</b>
<b>Total Remaining Holders Balance</b>		<b>777,575,080</b>	<b>58.63</b>



## ASX Additional Information (Continued)

### Top Twenty Option Holders

Rank	Name	Units	% Units
1	Strata Nominees Pty Ltd <The C & C Bontempo S/f A/c>	46,875,000	23.44
2	Lamerton Pty Ltd <Mac's Superfund A/c>	25,000,000	12.50
3	Jet Capital Pty Ltd <The Oscrow Family A/c>	20,000,000	10.00
4	Ausdrill International Pty Ltd	10,946,462	5.47
5	Ninety-Three Pty Ltd <One Mile S/f A/c>	10,000,000	5.00
6	Argonaut Equity Partners Pty Ltd	7,791,594	3.90
7	Ratdog Pty Ltd	7,500,000	3.75
8	Jorac Pty Ltd	7,000,000	3.50
9	Balkau Family Pty Ltd <Balkau Family Super Fund A/c>	6,474,138	3.24
10	Jameker Pty Ltd <AKJ Family No2 A/c>	5,500,000	2.75
11	Mr Noel Ross Archer	5,476,572	2.74
12	Alissa Bella Pty Ltd <The C&A Tassone Super A/c>	5,000,000	2.50
13	Aralad Management Pty Ltd <TRK Superannuation Fund A/c>	5,000,000	2.50
14	Mr Jason Bontempo & Mrs Tiziana Battista <Morrison Super Fund A/c>	5,000,000	2.50
15	Konkera Pty Ltd <Konkera Family A/c>	5,000,000	2.50
16	RWH Nominees Pty Ltd <RWH Nominees A/c>	3,989,962	1.99
17	Argonaut Investments Pty Ltd <Argonaut Invest No 3 A/c>	2,103,250	1.05
18	Define Consulting Pty Ltd <Define Super Fund A/c>	1,347,994	0.67
19	Blu Bone Pty Ltd	1,250,000	0.62
20	Kobia Holdings Pty Ltd	1,250,000	0.62
<b>Totals: Top 20 holders of LISTED OPTIONS EXPIRING 01/08/2023 @ \$0.01</b>			
<b>(Total)</b>		<b>182,504,972</b>	<b>91.25</b>
<b>Total Remaining Holders Balance</b>		<b>17,495,029</b>	<b>8.75</b>

### Restricted Securities

There are no restricted securities.

### On-Market Buy Back

There is no current on-market buy back.

### Voting Rights

All ordinary shares carry one vote per share without restriction.

### Interests in Tenements Held

Project	Tenement Number	Tenure Title Holder	Interest %	AREA (ha)	Status of Tenure
Ponton	E28/1523	MHC	100	20 sub blocks	1 sub block is 2.97km <sup>2</sup>
	E28/1898	MHC	100	34 sub blocks	22 Sub blocks
	E28/2454	MHC	100	121 sub blocks	surrendered