



Mantle Mining Corporation Ltd
ABN 70 107 180 441

Interim Financial Report
for the
Half-Year ended 31 December 2007

Mantle Mining Corporation Ltd
ABN 70 107 180 441

CORPORATE DIRECTORY

DIRECTORS

Mr Martin Blakeman
Non-Executive Chairman

Mr Ian Kraemer
Managing Director

Mr Stephen de Belle
Non-Executive Director

Mr Peter Anderton
Technical Director

COMPANY SECRETARY

Mr Winton Willesee

**PRINCIPAL AND REGISTERED
OFFICE**

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Melbourne
Victoria, 3000
Email: admin@mantlemining.com
Internet: www.mantlemining.com

SOLICITOR

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Western Australia, 6000

AUDITORS

R. T. Kidd and Associates
66 Bay View Terrace
Claremont
Western Australia, 6010

SHARE REGISTRY

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross
Western Australia, 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

**STOCK EXCHANGE
LISTING**

The Company's shares are quoted
on the Australian Securities Exchange.
The Home Exchange is Perth.

ASX CODE

MNM - Ordinary Shares
MNMO – Listed Options

Mantle Mining Corporation Ltd
ABN 70 107 180 441

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**Mantle Mining Corporation Ltd
and its controlled entities**

DIRECTORS' REPORT

Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2007. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The following persons held office as Directors of Mantle Mining Corporation Ltd at the date of this report:

Mr Martin Blakeman Non-Executive Chairman

Qualifications: B Ec.

Martin completed his tertiary studies at the University of WA graduating with a Bachelor of Economics in 1976. Since graduation Martin has applied his skills in management and economics to the rural and mining industries. Martin's professional career in the mining industry has included over 20 years experience at board level in junior resource companies, commencing with his appointment in 1983 as a founding director of Harmark Pty Ltd (the founder and former controlling shareholder of Forrestania Gold NL, one of Australia's more successful resource investment companies of the time), and Kagara Ltd (now Kagara Zinc Ltd), retiring from Harmark Pty Ltd in 1999 after 16 years continuous service.

Martin promoted, and was appointed to the board as a founding director, of Metex Resources NL in September 1992. Over a 4-year period to June 1996, he held the position as Manager Corporate at Metex, forming an integral part of that company's executive management team

In 2003, Martin incorporated and became a founding director of Mantle Mining Corporation Ltd. He has overseen the strategic decisions of the company including the acquisition of a substantial tenement package in the eastern highlands of Victoria and central north Queensland, its successful 2006 listing on ASX, and the acquisition of the Mt Mulligan project.

Mr Ian Kraemer Managing Director

Qualifications: BEng MEng F AusIMM

Mr Kraemer was appointed as a director of the Company on 4 February 2008. He has an extensive background in the resources sector with over 20 years professional experience in the exploration, acquisition, construction and operation of diverse mining projects in the coal and gold sectors.

Prior to his involvement with Mantle, Mr Kraemer worked for 8 years as Business Development Manager with Thiess. In that capacity he was responsible for acquisitions and for underground mining project design, development and operational takeover. Most recently he held the position of Project Director responsible for the development and commercialisation of clean coal technology company Exergen, reporting directly to the Chairman of Thiess.

Mr Kraemer first commenced his mining career in 1980 as a cadet Coal Mine Manager in Queensland. During the following 8 years he held various line management positions culminating in the appointment of Relieving Underground Coal Mine Manager at Moura. In 1987, Ian left Moura and relocated to the USA where he completed Bachelor's and Master's Degrees in Mining Engineering at Columbia University in NYC. He then accepted the position of Director Operational & Strategic Planning for Pittston Coal & Minerals (15 coal mines in USA and 2 metal mines in Australia) followed by a transfer back to Australia as Director Australasian Business Development.

**Mantle Mining Corporation Ltd
and its controlled entities**

DIRECTORS' REPORT

DIRECTORS (Continued)

Mr Peter R. Anderton Technical Director

Qualifications: BSc M AusIMM

Peter has over 25 years professional geological experience including 12 years with major mining companies. He is a founding Director of Mantle Mining Corporation Ltd.

Peter has specialised in gold and base metals mining and exploration, but also has significant experience in tin and nickel. He has held Senior Geologist positions at a number of mines as well as the Chief Geologist position at Tindals Gold Mine. Since 1988, he has been contracting and consulting to the mining and exploration industry in a senior capacity. Companies with which he has had extensive involvement include WMC, MPI, Normandy and KCGM.

Mr Stephen de Belle Non-Executive Director

Qualifications: MSc MTCP BA.

Stephen has an extensive background in resources development, including the start-up of new companies and projects. In 2005-06 he assisted with the preparation for and listing on the London Alternative Investment Market of Finders Resources (gold-silver and copper projects currently being developed) and prior to that he was founding managing director of Midwest Corporation Ltd (ASX listed iron ore producer and project developer). He remains on the boards of both of those companies.

Prior to his work with Midwest, Stephen was a Principal of Kyle Associates (consulting firm), Chairman of Australian Superannuation Nominees Ltd (a specialist DIY super trustee company), director of Xylogy Pty Ltd (software for project management and governance), Head of Resources Finance, ABN AMRO Australia, director of Structured Finance, Barclays Bank and had positions with BZW Australia, ANZ Capital Markets, ANZ McCaughan, Capel Court and CSR Minerals.

Stephen has been closely involved with the start-up and operation of iron ore, coal, base metals, gold and petroleum projects and companies, and has particular expertise in the development and financing of projects in the resources and infrastructure sectors both in Australia and overseas.

Mr Kraemer was appointed as a director of the company on 4 February 2007. Messes Blakeman, Anderton and de Belle were director throughout the full period.

COMPANY SECRETARY

Mr Winton Willesee

Qualifications: BBus., DipEd., PGDipBus., MCom., FFin, CPA, MAICD

Winton has broad experience in the company administration of ASX listed companies, corporate governance and corporate finance. Winton has a Master of Commerce, Post-Graduate Diploma in Business (Economics and Finance), a Diploma in Education and a Bachelor of Business. Winton is a Fellow of the Financial Services Institute of Australasia and a Member of CPA Australia. Winton is a Director of Newera Uranium Limited, Future Corporation Australia Limited, Boss Energy Limited and Hawk Resources Limited and has filled the role of Company Secretary with a number of listed and unlisted public companies. He is currently also the Company Secretary of Newera Uranium Limited, Balkans Gold Limited, Boss Energy Limited and Hawk Resources Limited.

**Mantle Mining Corporation Ltd
and its controlled entities**

DIRECTORS' REPORT

REVIEW OF OPERATIONS

The consolidated entity recorded an operating loss after income tax for the half-year ended 31 December 2007 of \$307,881 compared to the 31 December 2006 operating loss after income tax of \$65,125.

Mantle's activities for the half year ended December 2007 were dominated by two matters:

- Acquisition of 87.5% interest in the Mt Mulligan Coal Deposit, near Cairns in Queensland, and
- Excellent exploration results regarding the Company's Granite Castle Gold Deposit, west of Charters Towers in Queensland.

Mantle also made good progress with its activities regarding the Company's Great Britain Gold Deposit (outside of Charters Towers), its Victorian gold exploration tenements and its uranium exploration tenements in Queensland and the Northern Territory.

In addition, the Company retained Ian Kraemer as its new Managing Director. Ian took up the position at the beginning of February 2008 and has been charged with the responsibility of moving Mt Mulligan and Granite Castle to being ready for development. Ian is a mine manager and mining engineer, with very extensive coal expertise plus experience with metaliferous mines, corporate acquisitions and resources business development.

Lastly, Mantle successfully implemented a share placement in December 2007, raising \$1,240,000 and announced and has commenced implementation of a Rights Issue to raise up to \$1,914,000 (see subsequent events section).

Mt Mulligan Coal Deposit (EPC772 & ATP718P)

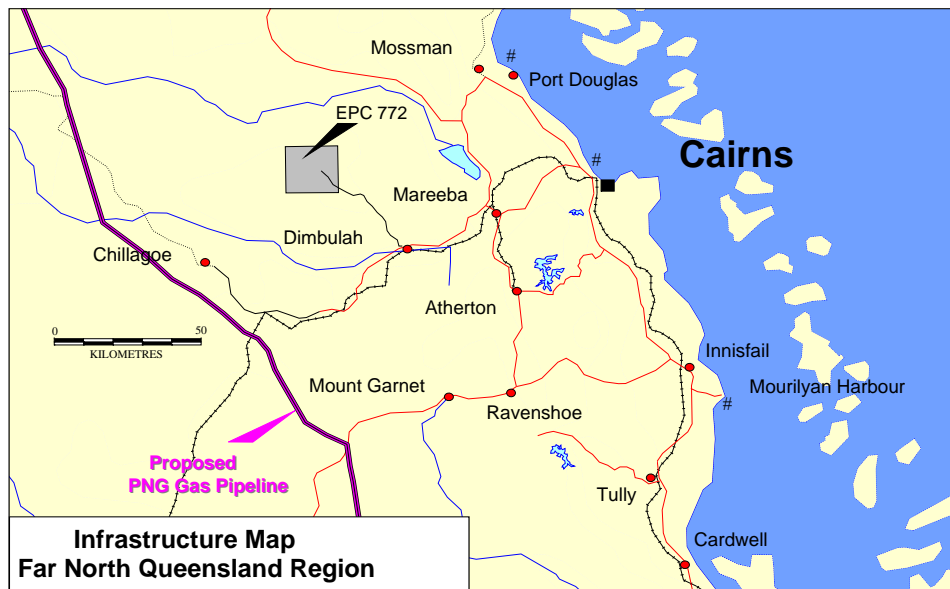
Settlement of the acquisition of Mt Mulligan occurred in November 2007.

The Mt Mulligan Coal Deposit is about 100km west of the Port of Cairns, and about 50km from the town of Dimbulah, which is connected to Cairns by sealed road and an operating rail line. The road from Dimbulah to Mt Mulligan is the formation of the rail spur that used to connect the mines that used to operate at Mt Mulligan (until 1957) to the rail network. The track itself no longer exists.

**Mantle Mining Corporation Ltd
and its controlled entities**

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)



Previous Exploration

Subsequent to closure of the previous mines in the 1950's, the deposit has been subject to two periods of substantive exploration – by CRA Exploration Pty Ltd in the early 70s and by International Mining Corporation NL in the early 80's.

Of the known extensive seams, three were worked. Two drill holes have been put into the centre of the deposit and the southern hole (DDH1) was terminated before reaching the bottom of the coal bearing sequence (ie before complete penetration of the lowest seam). The exploration work was largely done in-house by CRA and by McElroy Bryan Associates for IMC.

Exploration & Development Plans

Mantle's exploration plans for Mt Mulligan are at an early stage. The first step will be to negotiate an access agreement with the relevant Native Title holders, and preparation for this has commenced.

The Company will be investigating development options and issues, such as identification of low capital cost options for early development, both on the existing tenements and those strategically contiguous. Scoping Studies regarding Mt Mulligan access, exploration and development issues were commissioned in late 2007 and are expected to be completed by the end of March 2008. The purpose of the studies are to provide a consolidated review of the deposit and a framework for consideration of issues going forward.

Mantle Mining Corporation Ltd
and its controlled entities

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

Queensland Gold

Granite Castle Deposit (EPM14179)

During the first part of the half year the Company received initial assay results from the drill program conducted at its Granite Castle gold deposit in the June Quarter. The results were above expectations, and the better intersections are presented below.

Hole Number	Down Hole Depth	Down Hole Interval Length	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Total Grade (g/t Au Equiv.)
504	from 45m	5m	3.08	98.5	4.9
505	from 51m	3m	6.26	313.6	12.0
507	from 47m	8m	2.08	65.3	3.3
508	from 65m	3m	3.92	93.0	5.6
509	from 52m	3m	1.99	40.8	2.7
510	from 84m	2m	2.84	58.3	3.9
511	from 69m	3m	1.59	42.5	2.4
512	from 84m	2m	3.93	42.3	4.7
513	from 98m	1m	1.61	6.3	1.7
514	from 65m	2m	2.25	4.8	2.3
514	from 97m	5m	8.64	132.2	11.0
516	from 125m	7m	3.48	79.7	4.9
518	from 105m	2m	2.16	98.0	3.9
519	from 134m	2m	3.91	84.8	5.5
520	from 98m	5m	2.49	102.6	4.4

* AuEquiv:1gAu = 55gAg

All results are from RC samples, where the holes were drilled at an inclination of 60 degrees into vertical/sub-vertical target zones. Holes were drilled dry and the results are uncut. The better holes are in bold. All holes for which we have results are shown.

A formal resource re-calculation for the Granite Castle deposit was commissioned, and the results are currently due in March 2008. The previously published JORC Inferred Resource totalled approximately 167,000 oz Au, at an average grade of 4.2g/t (from the surface).

In addition, surface work (sampling and mapping) in the immediate vicinity of the deposit identified a number of attractive prospects and the possible significant eastward extension of the Granite Castle structure itself. These targets were scheduled to be drilled commencing November 2007 but this activity was delayed (due to 'no show' by the rig) until January 2008. The drill program – amounting to approximately 2,000 metres of RC - has been partially completed, has confirmed the extension of mineralisation (from the previous 900 metres to a total mineralised distance of 1,300 metres) and assays are due to commence being received from late March 2008.

The strategic target for this deposit remains the delineation of sufficient resources to justify development of an attractive, stand alone project.

**Mantle Mining Corporation Ltd
and its controlled entities**

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

Great Britain Deposit (EPM14388)

Assays from the first round of drilling in the first half of calendar 2007 were slow in being received and hence the updated JORC Resource estimate remains outstanding. It is due to be received in March 2008. However the deposit has now been essentially fully delineated and the exploration focus in the latter part of 2007 was focussed on adjacent and nearby targets, which were mapped and sampled. These targets – Granny's Swamp (EPM14604), Puzzler West and Chinamans – are subject to approximately 2,000 metres of drilling following the completion of the program at Great Britain in March 2008.

Mantle's strategy here is to identify a portfolio of modest sized, surficial, low operating cost deposits that can be developed and mined in series and amounting in total to a relatively easy development opportunity, using toll treatment, with low capital cost and high return on equity.

Victorian Gold

Activities in Victoria in the December half involved clean-up of the drill sites used earlier in the year, interpretation of drill results plus the results of surface sampling and mapping and planning work for the 2008 drill program. The surface sampling produced a number of encouraging results - including 37 samples with anomalously high gold (and As) values (including six (6) with values >10g/t Au (and up to 54g/t Au)) - some of which will be followed up by scout drilling. None are dump samples. All are outcrop or subcrop samples, from areas not previously sampled. The exploration target remains bulk tonnage, from the surface, not narrow vein, high grade leads. Looking forward, approximately 1,200 metres of diamond drilling are planned for February and March 2008. In addition a new exploration office was set up in Bairnsdale.

Uranium

Research on the Company's uranium tenements actively commenced, with night time infra red imaging of paleochannel targets being undertaken on EPM15537 and EPM15538. Field work was also conducted on both tenements, including water sampling from bores. Desk top work also commenced regarding EPM15534 and EPM15535. Substantive results from these activities have yet to emerge.

Other

Apart from the appointment of Ian Kraemer as the new Managing Director, as befits the positive results reported in September and the increasing pace of work, Mantle employed two new full time geologists and one part time geologist.

Stephen de Belle, the previous Managing Director, remains on the Board, as a non-executive director.

Subsequent Events

In addition to those drill programs detailed above, the Company undertook a rights issue to shareholders and received applications for 3,909,369 shares at 17.5c per share along with 3,909,369 free attaching options. On 10 March 2008 the Company received notice from the underwriter of the rights issue that a termination clause in the agreement had been triggered and the underwriter was exercising its right to terminate the underwriting. As a consequence the Company is offering applicants the option to withdraw their applications. Concurrently the Company entered into an agreement with Cygnet Capital Pty Ltd pursuant to which Cygnet will undertake, on a best endeavours basis, a placement of Shares with free attaching Options to raise up to approximately \$1,230,000. This amount is approximately equal to the shortfall amount previously the subject of the now terminated underwriting agreement. The Proposed Placement will be subject to Shareholder approval. The pricing terms of the Proposed Placement are the same as for the 21 December 2007 placement and the Rights Issue offer.

**Mantle Mining Corporation Ltd
and its controlled entities**

DIRECTORS' REPORT

The information in this report that relates to Exploration Results is based on information compiled by Mr I Kraemer, a Director of the Company. Mr Kraemer is a Fellow of the Australasian Institute of Mining and Metallurgy (F AusIMM). Mr Kraemer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Kraemer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, R. T. Kidd and Associates, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 8 and forms part of the Directors' Report for the half-year ended 31 December 2007.

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

Dated at Perth this 14th March 2008.



Martin Blakeman
Chairman

R.T. KIDD & ASSOCIATES

Certified Practising Accountant
Registered Company Auditor



To the Board of Directors of Mantle Mining Corporation Limited

AUDITOR INDEPENDENCE DECLARATION

Under section 307C of the Corporation Act 2001

This declaration is made in connection with our review of the financial report of Mantle Mining Corporation Limited for the half- year ended 31st December 2007 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review;
- No Contraventions of the Code of Professional Conduct of the Institute of CPA Accountants in Australia in relation to the review.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'R. T. Kidd', written over a dotted line.

.....
RODNEY T. KIDD

R.T. KIDD & ASSOCIATES

Dated at PERTH on this 14th day of March 2008

0708.489.RTK:KI

R.T. KIDD & ASSOCIATES

Certified Practising Accountant
Registered Company Auditor

INDEPENDENT REVIEW REPORT

To the Members of Mantle Mining Corporation Limited

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Mantle Mining Corporation Limited for the half-year ended 31st December 2007.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporation Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission and Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out in this financial report has not changed as at the date of providing our audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mantle Mining Corporation Limited is in accordance with;

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 31st December 2007 and of their performance for the half-year ended on that date; and
 - ii. complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- b) other mandatory financial reporting requirements in Australia.


.....
RODNEY T. KIDD
R.T. KIDD & ASSOCIATES

Dated at PERTH this 14th day of March 2008
66 Bay View Terrace Claremont W.A. 6010 -
Telephone: (08) 9385 4133 Facsimile: (08) 9385 4120 Mobile: 0417 140 424
A.B.N.: 19420960258
Email: rtkidd@bigpond.net.au



CPA AUSTRALIA

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**Mantle Mining Corporation Ltd
and its controlled entities**

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Mantle Mining Corporation Limited, I state that:

In the opinion of the Directors:

1. The financial statements and notes of the consolidated entity, as set out on pages 11 to 17:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2007 and the performance for the half-year ended on that date of the consolidated entity.
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 14 March 2008.



Martin Blakeman
Chairman

Mantle Mining Corporation Ltd
and its controlled entities

CONDENSED CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2007

	Note	31 December 2007 \$	31 December 2006 \$
Interest income		47,901	41,197
Other income		13	-
<hr/>			
Total revenue		47,914	41,197
Administrative expenses		(133,868)	(22,850)
Consultancy & legal expenses		(29,740)	(8,232)
Compliance & regulatory expenses		(50,701)	(12,339)
Depreciation & Amortisation		(13,630)	-
Director & Employee related expenses		(112,601)	(40,084)
Promotion & Communication costs		(15,255)	(22,817)
<hr/>			
Loss before income tax		(307,881)	(65,125)
Income tax		-	-
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Net loss attributable to members of the Company		(307,881)	(65,125)
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Basic earnings/(loss) per share (cents per share)	3	(0.65)	(0.27)
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Diluted earnings/(loss) per share (cents per share)	3	(0.65)	(0.27)
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The accompanying notes form an integral part of these financial statements.

Mantle Mining Corporation Ltd
and its controlled entities

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	Note	31 Dec 2007 \$	30 June 2007 \$	31 Dec 2006 \$
CURRENT ASSETS				
Cash and cash equivalents		2,812,779	2,718,490	3,971,358
Other receivables		44,615	65,541	101,457
TOTAL CURRENT ASSETS		2,857,394	2,784,031	4,072,815
NON-CURRENT ASSETS				
Property, plant and equipment		99,605	83,789	46,495
Capitalised mineral exploration and evaluation expenditure		3,910,427	2,667,898	1,458,298
Other assets		26,160	43,835	-
TOTAL NON-CURRENT ASSETS		4,036,192	2,795,522	1,504,793
TOTAL ASSETS		6,893,586	5,579,553	5,577,608
CURRENT LIABILITIES				
Trade and other payables		21,251	39,337	37,171
TOTAL LIABILITIES		21,251	39,337	37,171
NET ASSETS		6,872,335	5,540,216	5,540,437
EQUITY				
Contributed equity	2	7,450,386	5,810,386	5,706,144
Option Reserve		32,690	32,690	-
Accumulated losses		(610,741)	(302,860)	(165,707)
TOTAL EQUITY		6,872,335	5,540,216	5,540,437

The accompanying notes form an integral part of these financial statements.

Mantle Mining Corporation Ltd
and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2007

	31 December 2007 \$	31 December 2006 \$
Total equity at the beginning of the half-year	5,540,216	234,920
<i>Adjustments to equity:</i>		
Loss for the half-year	(307,881)	(65,125)
Total recognised income and expense for the half-year	(307,881)	(65,125)
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs	1,640,000	5,370,642
	1,640,000	5,370,642
Total equity at the end of the half-year	6,872,335	5,540,437

The accompanying notes form an integral part of these financial statements.

Mantle Mining Corporation Ltd
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the half-year ended 31 December 2007

	31 Dec 2007 \$ Inflows/(Outflows)	31 Dec 2006 \$ Inflows/(Outflows)
Cash flows from operating activities		
Interest received	47,901	41,197
Other income	-	-
Payments to suppliers and employees	(320,599)	(181,220)
Net cash flows used in operating activities	(272,698)	(140,023)
Cash flows from investing activities		
Payments for exploration and evaluation	(843,567)	(1,417,572)
Payments for plant and equipment	(29,446)	(46,495)
Reimbursement of exploration expenditure		
Net cash flows used in investing activities	(873,013)	(1,464,067)
Cash flows from financing activities		
Proceeds from the issue of shares	1,240,000	5,876,900
Share issue costs	0	(506,258)
Repayment of borrowings	0	(70,350)
Net cash flows provided by financing activities	1,240,000	5,300,292
Net increase in cash held	94,289	3,696,202
Cash at the beginning of the half-year	2,718,490	275,156
Cash acquired from subsidiary acquisition		
Cash at the end of the half-year	2,812,779	3,971,358

The accompanying notes form an integral part of these financial statements.

**Mantle Mining Corporation Ltd
and its controlled entities**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2007

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

These general purpose half-year financial statements for the half-year ended 31 December 2007 have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Standard AASB 134: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS "Interim Financial Reporting".

It is recommended that these half-year financial statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2007 and any public announcements made by Mantle Mining Corporation Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act, 2001.

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

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

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2007 annual financial report for the financial year ended 30 June 2007.

In the half-year ended 31 December 2007, the consolidated entity has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2007.

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

Mantle Mining Corporation Ltd
and its controlled entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2007

	31 Dec 2007 \$	30 June 2007 \$	31 Dec 2006 \$
2. CONTRIBUTED EQUITY			
(a) Issued Capital			
54,685,716 ordinary shares; (30 June 2007 and 31 December 2007:			
45,600,002 ordinary shares)	7,450,386	5,810,386	5,706,144

During the half year a total of 2,000,000 ordinary shares were issued at a deemed issue price of 20 cents per share to purchase the interest in Trafford Coal Pty Ltd, and a further 7,085,714 ordinary shares were issued at an issue price of 17.5 cents per share raising \$1.24m (before costs) for the purpose of further advancing the consolidated entity's exploration projects and to augment working capital. Each share was issued with a free attaching Listed option (refer below).

(b) Listed Options

During the period a total of 15,200,000 listed options were issued to shareholders on a one for three basis at an issue price of 1 cent per option to raise \$152,000 in new funds. In addition a total of 7,085,714 listed options were issued for \$Nil consideration as part of the equity raising made to sophisticated investors during the period. All of the listed options are exercisable at any time on or before 30 April 2009 at an exercise price of 25 cents per option.

At year end 31 December 2007, a total of 28,285,714 listed options were on issue with all options exercisable at 25 cents each on or before 30 April 2009.

	31 Dec 2007 \$	31 Dec 2006 \$
3. EARNINGS/(LOSS) PER SHARE		
The following reflects the loss and share data used in the calculations of basic and diluted earnings/(loss) per share:		
Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	(307,881)	(65,125)

**Mantle Mining Corporation Ltd
and its controlled entities**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2007

3. EARNINGS/(LOSS) PER SHARE (Continued)

	Number of Shares <u>2007</u>	Number of Shares <u>2006</u>
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share: <i>Effect of dilutive securities</i>	47,036,380	23,054,100
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	47,036,380	23,054,100

***Non-dilutive securities**

As at balance date, 28,285,714 listed options (which represent 28,285,714 potential ordinary shares) (31 December 2006: 6,000,000 unlisted options) which represent potential ordinary shares were not dilutive as they would decrease the loss per share.

4. DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2007.

5. EVENTS SUBSEQUENT TO BALANCE DATE

Since 31 December 2007, no event has arisen that would be likely to materially affect the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity not otherwise disclosed in the directors report or consolidated entity's financial statements.

6. CONTINGENT ASSETS AND LIABILITIES

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets.

7. SEGMENT INFORMATION

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