



MANTLE MINING

ASX: MNM and MNMO

DIRECTORS

Mr Martin Blakeman
Chairman

Mr Ian Kraemer
Managing Director

Mr Stephen de Belle
Non-Executive Director

Mr Peter Anderton
Executive Director,
Technical

COMPANY SECRETARY

Mr Winton Willesee

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ASX Release
10 October 2008

Company Update from the Managing Director

- Market Volatility
- Status of Exploration
- Business Opportunities

Mantle Mining Corporation Limited (ASX:MMN) recognises the volatile state of the global financial markets and some stakeholder concern related to Company progress in advancing its portfolio of exploration projects. As a result, the Company is pleased to provide the following update from the Managing Director.

Dear Stakeholders

Company management has been following the state of the global financial crisis and are well aware of shareholder concerns related to the decline in our company share price. We recognise the necessity to conserve cash reserves whilst at the same time generating positive exploration and other pre-development results. We are committed to guiding the Company through this period of uncertainty in a manner that positions our advanced exploration projects to potentially move into feasibility and towards operations, thus generating sustaining cash revenues with which to underscore future growth.

Your Board has recently taken the decision to defer discretionary expenditure in the short term, especially high cost drilling programs, in order for management to focus on detailed review of our Gold, Base Metals and Uranium exploration programs. At the same time we have ramped up preparation, access and preliminary reconnaissance work on our Coal, Coal Bed Methane (CBM) and Phosphate tenements.

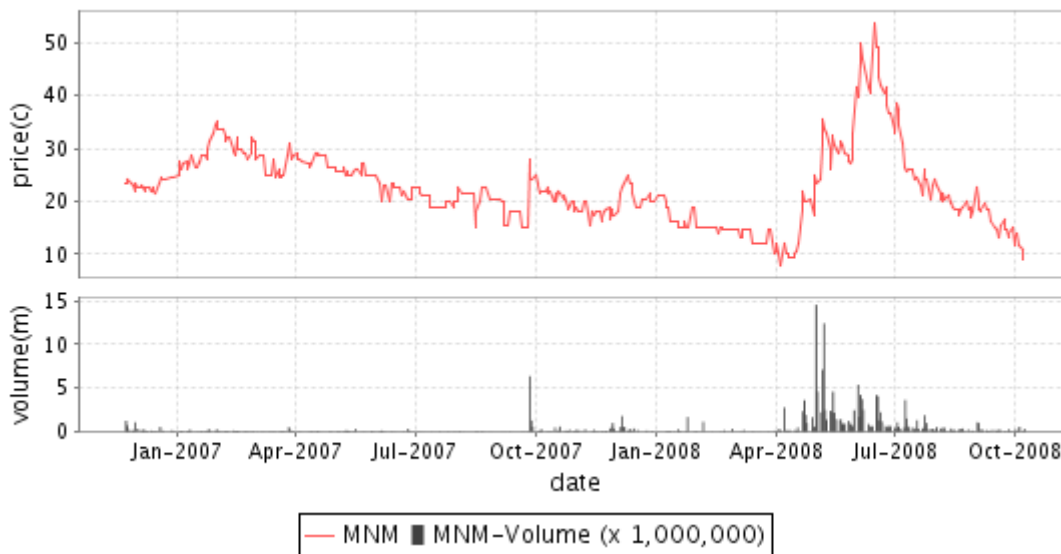
Much of the work discussed below was instigated early in the current calendar year and is only now yielding material outcomes.

In my opinion, Mantle's projects remain highly prospective, with a spread of commodity exposures, and the work we are currently undertaking should set the company up for moving exploration targets into pre-feasibility within the earliest possible time frame.

Global Financial Crisis & Company Share Price

Mantle, like virtually all companies, has been negatively impacted by the global credit crisis, especially since the end of the last financial year.

Three Year Chart



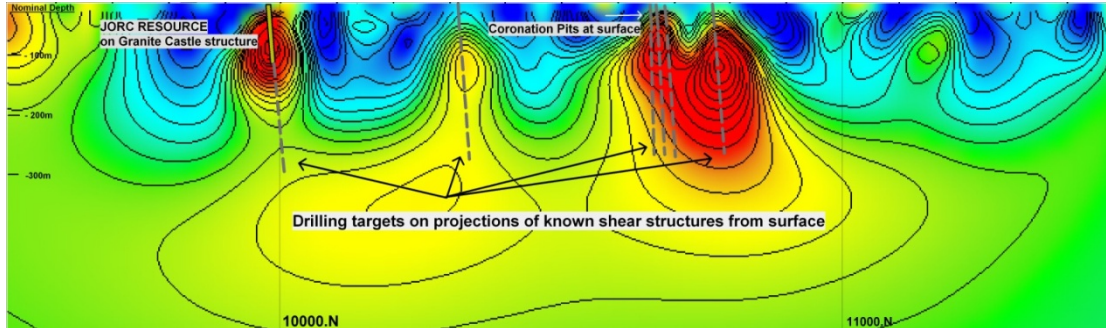
The graph shows the history of Mantle's share price since listing on the ASX in early 2007. The general prospectivity of Mantle's current portfolio of exploration projects was first announced, via a series of statements to the market, in the period April through July this year. This period saw the investment community recognise the embedded upside in Mantle's portfolio of exploration projects such that our share price grew from a low of 7.3c in early April to a high of 56.5c in July.

However, over subsequent months, as the depth of the global financial crisis became apparent, our share price has declined to its current levels. This decline has also coincided with a period where we have had few material statements to announce due to the normal cycle of exploration process and pre-development activities. Shareholders should, nevertheless, have confidence that management is quietly progressing the Company along its charted course with determination and focussed effort.

Mantle's Tenements



Tenement	Name	Grant Date	Expiry	Units	Ownership %
Queensland					
EPM 14179*	Range Creek	25/11/04	24/11/09	6	100
EPM 14388	Charters Towers	23/02/05	22/02/10	79	100
EPM 14604	Granny's Swamp	30/03/05	29/03/10	25	100
EPM 15527	Oaky Creek	30/11/07	29/11/12	54	100
EPM 15534	Phantom Creek	06/03/07	05/03/12	51	100
EPM 15535	Mount Brown	23/11/07	22/11/12	41	100
EPM 15537	Holy Joe's Creek	13/06/06	12/06/11	36	100
EPM 15538	Gidya Creek	13/06/06	12/06/11	38	100
EPM 16878	Eight Mile Creek	Application		111	100
EPM 16880	Lagoon Creek	Application		46	100
EPM 17543	Mount Boddington	Application		100	100
EPC 772**	Mount Mulligan	Application		72	100
ATP 718P**	Mount Mulligan	Application		6	100
Victoria					
EL 3576	Haunted Stream	21/10/94	21/10/06	77	100
EL 4784	Mount Baldhead	25/01/06	24/01/11	217	100
EL 4785	Mount Nugong	Application		179	100
EL 4786	Mount Elizabeth	Application		495	100
EL 4819	Buchan East	Application		389	100
Northern Territory					
EL 26018	Mittiebah	05/12/07	04/12/13	377	100
EL 26019	Mitchiebo	05/12/07	04/12/13	340	100
EL 26020	Alexandria	16/01/08	17/01/14	338	100
EL 26021	Lignum	05/12/07	04/12/13	408	100



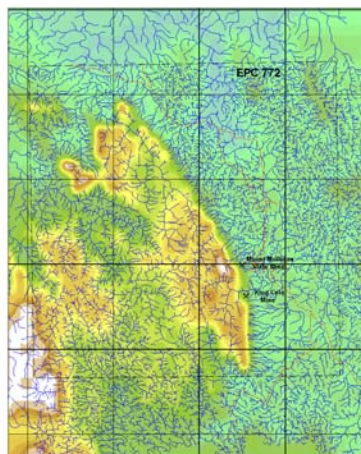
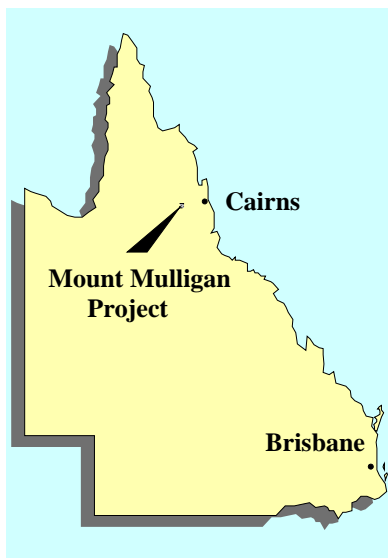
Granite Castle Induced Polarisation Section

At Granite Castle, which is our most mature project (79,301 ounces gold at 0.2 g/t Au cut-off, as Measured and Indicated Resource) we have highlighted a number of very prospective parallel shears to the one containing the JORC resource. A number of these shears have shallow historic drilling showing similar grades and intercepts to those at Granite Castle. We are currently finalising our review and will announce the details to the market as soon as possible.

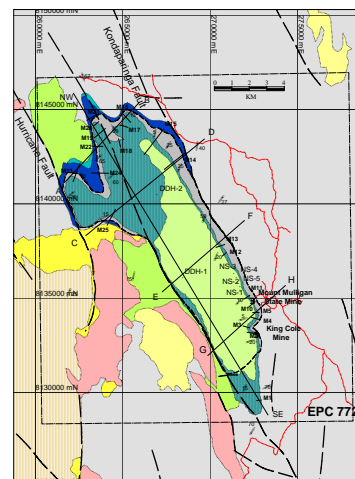
Coal & Coal Bed Methane Exploration

Mantle has continued to make good progress with access negotiations with the Traditional Custodians of the Mt Mulligan Coal and Coal Bed Methane tenements near Cairns in North Queensland. Mantle is taking a forward thinking triple bottom line approach to developing these resources via low impact, low emission energy generation and modern stakeholder relations.

The tenements contain high cultural value and the approach being taken has seen agreement in principal reached and a full draft Indigenous Land Use Agreement (ILUA) progressed.



Topographic Map Mount Mulligan Project



EPC 772 Mount Mulligan Project

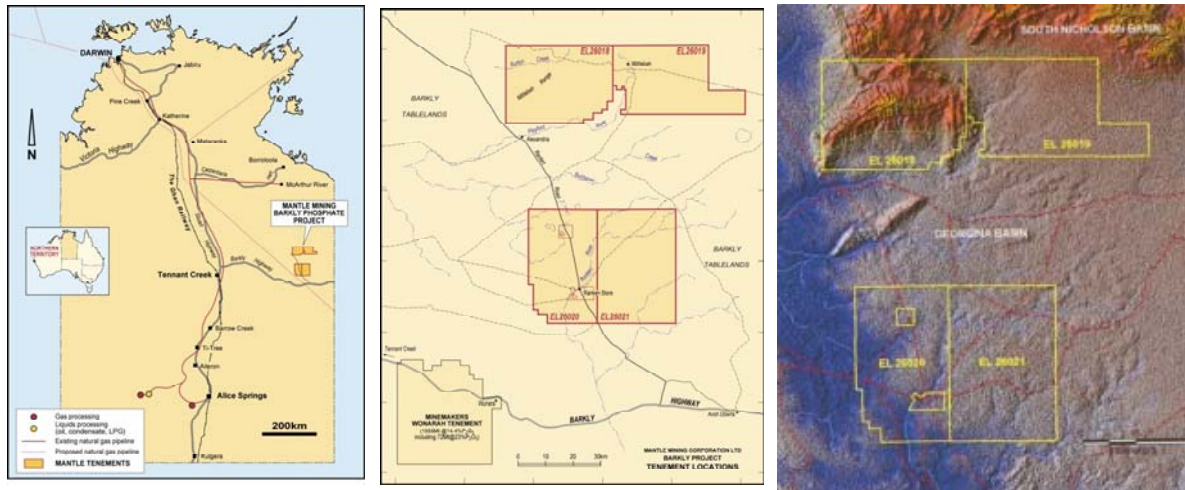
Geological Map



The Company has, in parallel with access discussions, being progressing detailed desktop study and modelling of tenement prospectivity such that planning and field reconnaissance can begin immediately, once access is confirmed. The scope for and prospective attractiveness of using CBM for power generation and sale of electricity to local mines and/or the grid is significant.

Phosphate & Uranium Exploration

Mantle's Phosphate/Uranium tenements at Barkly in the Northern Territory sit centrally between Minemaker's Wonorah deposit and the recently listed Phosphate Australia ground. They were applied for by Mantle well prior to the current major escalation in global phosphate prices.



Barkly Tenements Location

An initial desktop study was undertaken in June with 35 priority targets generated for initial field reconnaissance. The field reconnaissance force consisted of 2 teams each of a geologist and a field assistant over a 3 week period and has just been completed. Upon receipt of a final report the Company will review any potential large scale targets and determine a suitable future exploration program.



Business Development Opportunities

The Company has continued to actively review, develop and pursue a number of highly synergistic, value accretive business opportunities:

- An opportunity to acquire a licence to a clean coal technology and separately acquire and apply for a number of upgradable coal tenements in Australia,
- additional tenement acquisitions and consolidations contiguous to our Gold projects, specifically Granite Castle, Great Britain and Haunted Stream, with some applications for additional tenements already made and a number of acquisition due diligence exercises currently underway,
- complimentary tenement application potential near our Northern Territory phosphate tenements.

In addition, we have been actively trimming and refining our supporting office infrastructure and human resources around the country in order to achieve a level of efficiency more suited to these difficult times:

- Low cost offices in Brisbane (Corporate), Bairnsdale (VIC Exploration), and Townsville (QLD Exploration),
- enhancing our Board makeup by having both our previous fulltime Executive Managing Director and Director Exploration move to Non Executive roles in support of the current Managing Director.

We remain confident that the portfolio of quality exploration projects spread across Mantle's suite of key commodity areas in Australia, matched with the experienced and complementary skills base of the Board and senior management team positions the Company extremely well to see out this current period of global financial volatility.

The Company should emerge from this difficult period with a portfolio of generative and advanced exploration projects with a commodity base which includes:

- potential to produce a financial hedge (gold)
- potential to produce high demand energy commodities (coal, coal bed methane, electricity and uranium)
- Potential to discover high value agricultural inputs (phosphate)



The information in this report that relates to Forward Looking Statements and Prospectivity is based on information compiled by Mr Ian Kraemer, a member of the Board of Mantle Mining Corporation Ltd. 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 styles of mineralisation and types of deposit under consideration and to the activity 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.

The information in this report that relates to Exploration Results is based on information compiled by Mr Stuart Moore, an Executive of Mantle Mining Corporation Ltd. Mr Moore is a Member of the Australasian Institute of Mining and Metallurgy (M.AusIMM). Mr Moore 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 Moore consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information;

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