

MANTLE MINING CORPORATION LTD

ABN 70 107 180 441

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by Shareholders at an issue price of 3 cents per Share to raise approximately \$1,030,412 (**Entitlement Issue**).

The Entitlement Issue is fully underwritten by Cygnet Capital Pty Limited. Refer to Section 7.2 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES *

Lodgement of Prospectus with ASIC	6 April 2009
Notice sent to Shareholders	8 April 2009
Ex Date	9 April 2009
Record Date for determining Shareholder entitlements	17 April 2009
Prospectus despatched to Shareholders	23 April 2009
Closing Date of Offer	11 May 2009
Securities quoted on a deferred settlement basis	12 May 2009
Notify ASX of under-subscriptions	14 May 2009
Despatch date/Shares entered into Shareholders' security holdings	19 May 2009

* These dates are determined based upon the current expectations of the Directors and may be changed with 6 Business Days prior notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 6 April 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 5 May 2010 (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers

whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

2. CORPORATE DIRECTORY

Directors

Martin Blakeman (Non-Executive Chairman)
Ian Kraemer (Managing Director)
Peter Anderton (Non-Executive Director)
Stephen de Belle (Non Executive Director)

Company Secretary

Winton Willesee

Registered Office

Level 16, 190 Queen Street
MELBOURNE VIC 3000

Principal Place of Business

Level 16, 190 Queen Street
MELBOURNE VIC 3000

General Enquiries

Telephone: (03) 9602 4133
Facsimile: (03) 9670 6643

Underwriter

Cygnets Capital Pty Limited
Level 10, 63 Exhibition Street
MELBOURNE VIC 3000

Share Registry*

Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6153

Telephone: (08) 9315 2333

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

R.T. Kidd and Associates
66 Bayview Terrace
CLAREMONT WA 6010

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus, the Company offers for subscription approximately 34,347,072 new Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one (1) new Share for every two (2) Shares held on the Record Date at an issue price of 3 cents per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to the Offer is approximately 34,347,072. The Offer will raise approximately \$1,030,412. The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

Holders of existing Options will not be entitled to participate in the Offer. The Company currently has 48,592,423 Options on issue as at the date of this Prospectus, which Options may be exercised by the Option holder prior to the Record Date in order to participate in the Offer.

3.2 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at 3 cents per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Mantle Mining Corporation Ltd – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5.00pm WST on the Closing Date.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.3 Minimum Subscription

The minimum subscription in respect of the Offer is \$1,030,412 (being the full subscription).

3.4 Underwriting

The Offer is fully underwritten by Cygnet Capital Pty Ltd.

Refer to Section 7.2 of this Prospectus for further details of the terms of the underwriting.

3.5 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall. Shareholders who wish to apply for Shares above their Entitlement can complete the relevant section of the Entitlement and Acceptance Form attached to the back of this Prospectus and return it, together with a cheque for the value of those Shortfall Shares (at 3 cents per Share) (and their Entitlement) to the Company.

The offer of the Shortfall is a separate offer pursuant to this Prospectus. The issue price of any Shares offered pursuant to the Shortfall Offer shall be 3 cents being the price at which the Entitlement has been offered to Shareholders pursuant to this Prospectus. The Shortfall shall be placed at the discretion of the Underwriter. The Underwriter reserves the right to allot to an applicant a lesser number of Shortfall Shares than the number for which the applicant applies, or to reject an application, or to not proceed with placing the Shortfall.

3.6 Australian Securities Exchange Listing

Application for official quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Shares and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.7 Allotment of Shares

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Shares on the basis of a Shareholder's Entitlement. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.8 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.

3.9 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

3.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$1,030,412 (before expenses). The proceeds of the Offer, are planned to be used in accordance with the table set out below:

Proceeds of the Offer	\$
Exploration Programmes at:	
• Mt Mulligan: Coal & Coal Bed Methane	233,521
• Granite Castle: Gold Drilling	222,421
• Barkly: Phosphate	136,729
• Other Projects	82,241
Corporate Overheads and Working Capital	271,010
Expenses of the Offer	84,490
Total	1,030,412

Notes:

1. Refer to Section 7.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

The principal effect of the Offer will be to:

- (a) increase the cash reserves by approximately \$945,922 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 68,694,144, to approximately 106,241,216 Shares following completion of the Offer (this includes 3,200,000 Shares to be issued to the Underwriter (or nominees) in part consideration for underwriting the Offer).

4.3 Consolidated Balance Sheet

The unaudited Balance Sheet as at 31 March 2009 and the unaudited Pro Forma Balance Sheet as at 31 March 2009 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares pursuant to the Offer in this Prospectus are issued.

The unaudited Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 March 2009

	Actual \$	ProForma \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	535,922	1,481,844
Trade and other receivables	27,399	27,399
TOTAL CURRENT ASSETS	<u>563,321</u>	<u>1,509,243</u>
NON-CURRENT ASSETS		
Property, plant and equipment	240,375	240,375
Tenement Assets	5,029,926	5,029,926
Investments in Subsidiaries	1,741,157	1,741,157
Other assets	5,617	5,617
TOTAL NON-CURRENT ASSETS	<u>7,017,075</u>	<u>7,017,075</u>
TOTAL ASSETS	<u>7,580,396</u>	<u>8,526,318</u>
CURRENT LIABILITIES		
Trade and other payables	110,283	110,283
Leases	15,590	15,590
TOTAL CURRENT LIABILITIES	<u>125,873</u>	<u>125,873</u>
NON-CURRENT LIABILITIES		
Leases	62,652	62,652
Other non-current liabilities	25,939	25,939
TOTAL NON-CURRENT LIABILITIES	<u>88,591</u>	<u>88,591</u>
TOTAL LIABILITIES	<u>214,464</u>	<u>214,464</u>
NET ASSETS	<u>7,365,932</u>	<u>8,311,854</u>
EQUITY		
Issued capital	9,863,021	10,808,943
Reserves	180,640	180,640
Retained profits / (Accumulated losses)	(2,677,729)	(2,677,729)
TOTAL EQUITY	<u>7,365,932</u>	<u>8,311,854</u>

4.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below.

Shares

	Number
Shares on issue at date of Prospectus	68,694,144
Shares offered pursuant to the Offer	34,347,072
Shares to be issued to the Underwriter ¹	3,200,000
Total Shares on issue after completion of the Offer ²	106,241,216

Notes:

1. These Shares are to be issued to the Underwriter (or nominees) as part consideration for underwriting the Offer. Refer to Section 7.2 for further details.
2. Includes the Shares to be issued to the Underwriter as detailed above.

Options

	Number
Listed exercisable at \$0.25 on or before 30 April 2009	44,892,423
Unlisted exercisable at \$0.25 on or before 30 June 2011	300,000
Unlisted exercisable at \$0.25 on or before 4 February 2011	250,000
Unlisted exercisable at \$0.25 on or before 30 June 2012	500,000
Unlisted exercisable at \$0.25 on or before 30 December 2011	1,000,000
Unlisted exercisable at \$0.25 on or before 13 August 2009	450,000
Unlisted exercisable at \$0.25 on or before 13 August 2010	450,000
Unlisted exercisable at \$0.25 on or before 13 August 2011	450,000
Unlisted exercisable at \$0.20 on or before 30 April 2009	300,000
Options offered pursuant to the Offer	NIL
Total Options on issue after completion of the Offer	48,592,423

5. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES

5.1 Terms of Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

5.1.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

5.1.3 Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the

Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

5.1.4 Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

5.1.5 Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

5.1.6 Future Increase in Capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.1.7 Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6. RISK FACTORS

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in seismic survey, drilling and production activities;
- (d) mechanical failure of operating plant and equipment;
- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (g) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (h) inability to obtain necessary consents or approvals.

6.2 Native Title Risks

Both the *Native Title Act 1993* (Cth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

6.3 Aboriginal Cultural Heritage Area – Mt Mulligan Tenements

As announced by the Company on 13 March 2009, the Company received from the Minister a notice to show cause as to why tenement EPC 772 should be renewed, in light of the Aboriginal Cultural Heritage Area within EPC 772 (**Notice**). The Company has responded to the Notice, submitting that the area is covered by an environmental authority which itself prohibits exploration without an Environmental Impact Statement (**EIS**) and that the Company has no intention of harming Aboriginal cultural heritage. The Company also requested that the Company and the traditional custodians of the land be afforded the opportunity of concluding the Indigenous Land Use Agreement (**ILUA**) currently under negotiation between them.

As at the date of this Prospectus, the Company consider the discussions with the traditional custodians in relation to Authorisation of the ILUA are progressing well however note that they remain delayed due to final negotiation of the terms. While the Company is confident that the process of Authorisation will proceed to completion, timing remains to be agreed. The Company may suffer damage if its rights to access to the Mt Mulligan Tenements (as defined in section 6.5) are substantially delayed.

6.4 Title Risks

Licences are granted subject to various conditions including, but not limited to, expenditure conditions. Failure to comply with these conditions may expose the licences to forfeiture.

All of the licences in which the Company has or will have an interest will be subject to application for renewal from time to time. The renewal of the term of each licence is subject to the applicable legislation in that jurisdiction. If a licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence. However, the Directors are not aware of any reason why renewal of the term of any licences will not be granted.

6.5 Third Party Claim – Mt Mulligan Tenements

As announced by the Company on 13 March 2009, the Company has received from third parties a notice of intention to terminate the agreement pursuant to which the Company acquired the tenements located at Mt Mulligan (**Mt Mulligan Tenements**). The Company has obtained legal advice in relation to the claim and intends to vigorously defend its rights to the Mt Mulligan Tenements. While the Company is confident of its legal position in respect of the claim, the Company may suffer damage if its rights to the Mt Mulligan Tenements are in any way affected by the third party claim.

6.6 Environmental Risks and Regulations

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the Company's mining tenements.

6.7 Economic Risks

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation, have an impact on operating costs, commodity prices, the parameters in which the Company may operate and stock market prices. Factors that may be beyond the control of the Company include:

- (a) general economic conditions in Australia and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- (b) financial failure or default by a participant in any joint venture or other contractual relationship to which the Company is, or may become, a party;
- (c) insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- (d) industrial and landholder disputes.

These as well as other conditions can affect the Company's future possible revenues and price of its Securities.

6.8 Market conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.9 Security Investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

6.10 Legislative changes, Government policy and approvals

Changes in government regulations and policies may adversely affect the financial performance of the Company. For example, any increased rentals under the relevant mining legislation may impact on the Company's actual financial statements. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

6.11 Future Capital Requirements

The Company's ongoing activities will require substantial expenditures. There can be no guarantee that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business

strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

6.12 Reliance on Key Personnel and Employees

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

6.13 General Risks

The value of the Company's Securities is affected by a number of general factors which are beyond the control of the Company and its Directors.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, local and international economic conditions and general investor sentiment.

The Company's Share price can be afflicted by these factors which are beyond the control of the Directors.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2008 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the

year ended 30 June 2008 lodged with ASIC before the issue of this Prospectus; and

- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

Date	Description of Announcement
30/03/2009	Rights Issue Update
13/03/2009	Market Update
06/03/2009	Half Yearly Report and Accounts
06/03/2009	Proposed Rights Issue
19/02/2009	Phosphate Target Areas Defined
13/02/2009	Targets Major Increase in Gold Resource
30/01/2009	Quarterly Cashflow Report
30/01/2009	Quarterly Activities Report
11/12/2008	Details of Company Address
21/11/2008	Appendix 3B - Release from Escrow and Quotation of Options
14/11/2008	Results of Meeting
13/11/2008	Change of Director's Interest Notice
12/11/2008	Release from Escrow Replacement
10/11/2008	Release from Escrow
05/11/2008	Change of Director's Interest Notice
29/10/2008	Quarterly Activities Report
29/10/2008	Quarterly Cashflow Report
28/10/2008	Change in substantial holding
20/10/2008	Change of Director's Interest Notice

17/10/2008	Change of Director's Interest Notice
14/10/2008	Change of Director's Interest Notice
14/10/2008	Notice of Annual General Meeting/Proxy Form
10/10/2008	Company Update
06/10/2008	Change of Director's Interest Notice
30/09/2008	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.mantlemining.com.

7.2 Material Contracts

The following is a summary of the significant terms of a material agreement which relates to the business of the Company.

Underwriting Agreement

By an agreement (as varied) between Cygnet Capital Pty Limited (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter agreed to fully underwrite the Offer for 34,347,072 Shares (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter an underwriting fee of 6% of the amount raised pursuant to the Offer; and
- (b) issue the Underwriter (or its nominee) 3,200,000 Shares.

The Agreement is conditional upon:

- (a) the Company obtaining from its legal and financial advisers on or before 6 April 2009:
 - (i) unqualified confirmation of the satisfactory completion of due diligence in relation to the Prospectus and the Offer; and
 - (ii) consents to be named in the Prospectus in the form and context in which they are named;
- (b) the Prospectus being lodged with ASIC on or before 6 April 2009; and
- (c) ASX granting conditional approval for official quotation of the Underwritten Shares, subject only to:
 - (i) allotment and issue of the Underwritten Shares;
 - (ii) dispatch of holding statements in respect of all the Underwritten Shares; and

(iii) any other usual terms and conditions imposed by ASX,

on or before the Closing Date.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) conditional approval for Official Quotation of the Underwritten Shares is withdrawn, qualified or made subject to conditions not acceptable to the Underwriter in its absolute discretion;
- (b) the Company is in default in the performance of any of its obligations under the Underwriting Agreement or any of the warranties given by it ceases to be, or are found not to have been, true and correct in all respects;
- (c) ASIC issuing an interim or final stop order in relation to the Prospectus and that order is not withdrawn or revoked within five (5) Business Days of first being made;
- (d) a prescribed occurrence (as that term is defined in section 603 of the Corporations Act) occurs in relation to the Company or a related body corporate of the Company (assuming that it was a target company within the meaning of Chapter 6 of the Corporations Act);
- (e) there is a material misstatement or inaccuracy in, or a material omission from, the Prospectus, or any statement in the Prospectus (including, but not limited to, any representation with respect to any future matter) is or becomes false or misleading in a material respect;
- (f) there is an outbreak of new hostilities (whether or not war has been declared) involving any one or more of the Commonwealth of Australia, any member state of the European Union, Japan, United States of America, the People's Republic of China, the Russian Federation or any other former member of the Union of Soviet Socialist Republics, Indonesia, Hong Kong, Singapore, Taiwan, India or Korea;
- (g) any expert who has previously consented to the inclusion in the Prospectus of a statement made by him or a statement based on such a statement validly withdraws his consent; or
- (h) the Company or any of its related bodies corporate or any of their respective officers contravene, or are charged with a contravention of, any provision of their respective constituent documents or any law relating to companies or securities, or the Listing Rules;
- (i) an officer of the Company is convicted of a criminal offence relating to a financial or corporate matter;
- (j) a person who is a director of the Company at the date of the Underwriting Agreement is removed from office or resigns as a director of the Company, dies or goes bankrupt or is otherwise required to vacate office as a director of the Company;
- (k) any information supplied by or on behalf of the Company to the Underwriter or any of its respective employees, agents or advisers in relation to the Offer is or becomes false or misleading;

- (l) any material contract to which the Company or a related body corporate is a party is terminated (whether by breach or otherwise), rescinded, materially altered or amended, or an event occurs which would entitle any party to such a contract to terminate or rescind that contract;
- (m) the All Ordinaries Index as published by ASX falls to a level that is 10% or more below the level as at close of trading on the business day prior to the date of the Underwriting Agreement;
- (n) there is a material adverse change in the management, financial position, results of operations or prospects of the Company;
- (o) the Company or any related body corporate reduces its capital or otherwise alters its capital structure without the prior written consent of the Underwriter; or
- (p) an Insolvency Event (as defined in the Underwriting Agreement) occurs in relation to the Company or any related body corporate,

save that, items listed in sub-paragraphs (b), (f), (g), (i), (j) and (k) shall not be events of termination unless the Underwriter is of the view that the occurrence of that event has a Material Adverse Effect (as that term is defined in the Underwriting Agreement).

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

7.3 Disclosure of Underwriting on Voting Power

As set out above, the Offer is fully underwritten by Cygnet Capital Pty Limited (**Underwriter**).

To comply with the requirement to fully disclose the Underwriter's potential voting power in the Company and the effect of the underwriting by the Underwriter, the table below sets out various scenarios to indicate the effect on the Company's shareholding depending on the Shortfall (if any). The potential maximum increase in the voting power of the Underwriter is set out below (100% Shortfall) and will only occur if no Shareholders take up their Entitlement under the Offer.

As detailed in Section 7.5, as at the date of this Prospectus, the Underwriter has a relevant interest in 1,507,500 Options and has indicated that it is its current intention that it will not exercise the Options prior to the Record Date and therefore will not subscribe for its Entitlement under the Offer.

Event	Number of Shares of the Company held by the Underwriter	Voting power of the Underwriter in the Company
Cygnet holding as at the date of the Prospectus	Nil	0%
Shares to be issued to Underwriter in consideration for underwriting the Offer (Consideration Shares)	3,200,000	4.45%

After issue of Shares to the Underwriter assuming 100% Shortfall (including the Consideration Shares)	37,547,072	35.34%
After issue of Shares to the Underwriter assuming 75% Shortfall (including the Consideration Shares)	28,960,304	27.26%
After issue of Shares to the Underwriter assuming 50% Shortfall (including the Consideration Shares)	20,373,536	19.18%
After issue of Shares to the Underwriter assuming 25% Shortfall (including the Consideration Shares)	11,786,768	11.09%

The calculations above assume that the Underwriter will not exercise the Options referred to above and therefore not acquire any Shares. If the Underwriter exercises the Options and acquires Shares, the numbers set out above will vary accordingly.

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up their Entitlement under this Offer. The underwriting obligation of the Underwriter, and therefore voting power of the Underwriter, will reduce by a corresponding amount for the amount of Entitlements taken up by other Shareholders. In addition, the future pattern of shareholding of the Company will change depending on the take up of Entitlements of the other Shareholders.

Notwithstanding the potential effect of the underwriting detailed in the table above, the Underwriter has advised the Company that it has, or will, allocate the Shortfall to its clients such that neither the Underwriter nor any of its clients, individually, will have a voting power in the Company in excess of 20% after the issue of the Shortfall. Therefore, although the information detailed in this Section 7.3, sets out the hypothetical position of the Underwriter if it is required to subscribe for the Shortfall under the Offer, in practical terms, the Underwriter will not obtain control of the Company as a result of the Underwriter underwriting the Offer.

7.4 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner,

either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Shares	Options	Entitlement ¹
Martin Blakeman	8,274,435	4,101,486	4,137,218
Ian Kraemer	Nil	1,750,000	NIL
Peter Anderton	3,730,451	2,026,666	1,865,226
Stephen de Belle	2,173,000	1,583,333	1,086,500

Notes:

1. Assumes none of the Options held by the Directors as at the date of this Prospectus are exercised prior to the Record Date
2. Each of the Directors has indicated that it is their present intention to subscribe for their full Entitlement under the Offer.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The Company paid to the Directors a total of \$247,225 for the year ended 30 June 2007 and \$427,503 for the year ended 30 June 2008. In addition to the above, the Directors have been paid fees totalling \$333,273 from the end of the previous financial year until the date of this Prospectus. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.5 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Cygnet Capital Pty Limited has given and has not withdrawn its consent to being named as Underwriter to the Offer in the Corporate Directory of this Prospectus in the form and context in which it is named. Cygnet Capital Pty Limited has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Cygnet Capital Pty Limited (including its related entities) is the holder of Options and currently has a relevant interest in 1,507,500 Options. Cygnet Capital Pty Limited has indicated that it is its current intention that it will not exercise the Options prior to the Record Date and therefore will not subscribe for its Entitlement under the Offer.

Cygnet Capital Pty Limited will be paid an underwriting fee of approximately \$61,825 and will be issued 3,200,000 Shares in consideration of services provided in respect of this Offer.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$10,000 for services in relation to this Prospectus.

7.6 Legal Proceedings

Other than as detailed in Section 6.5, there is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.7 Estimated Expenses of Offer

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,010
ASX fees	4,750
Underwriting fees	61,825
Legal expenses	10,000
Printing and other expenses	5,905
Total	84,490

7.8 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and

its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.072 on 7 January 2009

Lowest: \$0.026 on 16 March 2009

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.036 on 3 April 2009.

7.9 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

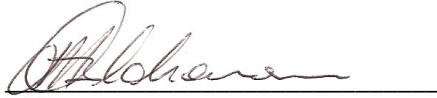
The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8. AUTHORITY OF DIRECTORS

8.1 Directors' Consent

Each of the Directors of Mantle Mining Corporation Ltd has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 6th day of April 2009

A handwritten signature in black ink, appearing to read 'M. Blakeman', is written over a horizontal line.

Martin Blakeman
Director
For and on behalf of
Mantle Mining Corporation Ltd

9. DEFINITIONS

Acceptance Form means an Entitlement and Acceptance Form or a Shortfall Application Form as the context permits.

Applicant means a Shareholder or Underwriter or other party instructed by the Underwriter who applies for Securities pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the ASX Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5.00pm (WST) on 11 May 2009 (unless extended).

Company means Mantle Mining Corporation Ltd (ABN 70 107 180 441).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001*(Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Issue means the issue of Shares offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the offer pursuant to the Prospectus of one (1) new Share for every two (2) Shares held by a Shareholder on the Record Date to raise \$1,030,412.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5.00pm (WST) on 17 April 2009.

Related Corporation has the meaning given to that term in the Corporations Act.

Securities means Shares.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Shortfall means those Securities under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Application Form means the shortfall application form attached to or accompanying this Prospectus.

Underwriter means Cygnet Capital Pty Limited (ABN 88 103 488 606).

WST means Western Standard Time.