

PROGRESS OF TRIAL MINING AT MORNING STAR

Mantle Mining Corporation Limited (ASX: MNM) ('Mantle' or 'the Company') provides the following update on progress to trial mining at the Stacpoole Zone.

Highlights:

- **Key Achievements to date:**
 - **Winder now re-commissioned for safe use**
 - **Completed shaft repairs and approved for operations**
 - **Explosive magazine licence approved**
 - **Recruitment and mobilisation of mining workforce completed**

- **Trial Mining is proceeding to plan at Morning Star gold mine:**
 - **Works have begun on 2 level**
 - **Initial clearance of old cross-cut underway, providing fastest and lowest cost access to Stacpoole zone**
 - **Development to Stacpoole ore zone to commence after pre-strip completed, expected in January 2018**
 - **Trial mining of bulk sample to run through to February 2018**

Mantle CEO, Tom de Vries said "We are truly building momentum and making clear progress toward reopening the Morning Star gold mine. There has been a considerable amount of work achieved on the ground in the last 6 to 8 weeks, as we move closer to developing trial mining and processing of material mined from the newly defined Stacpoole zone."

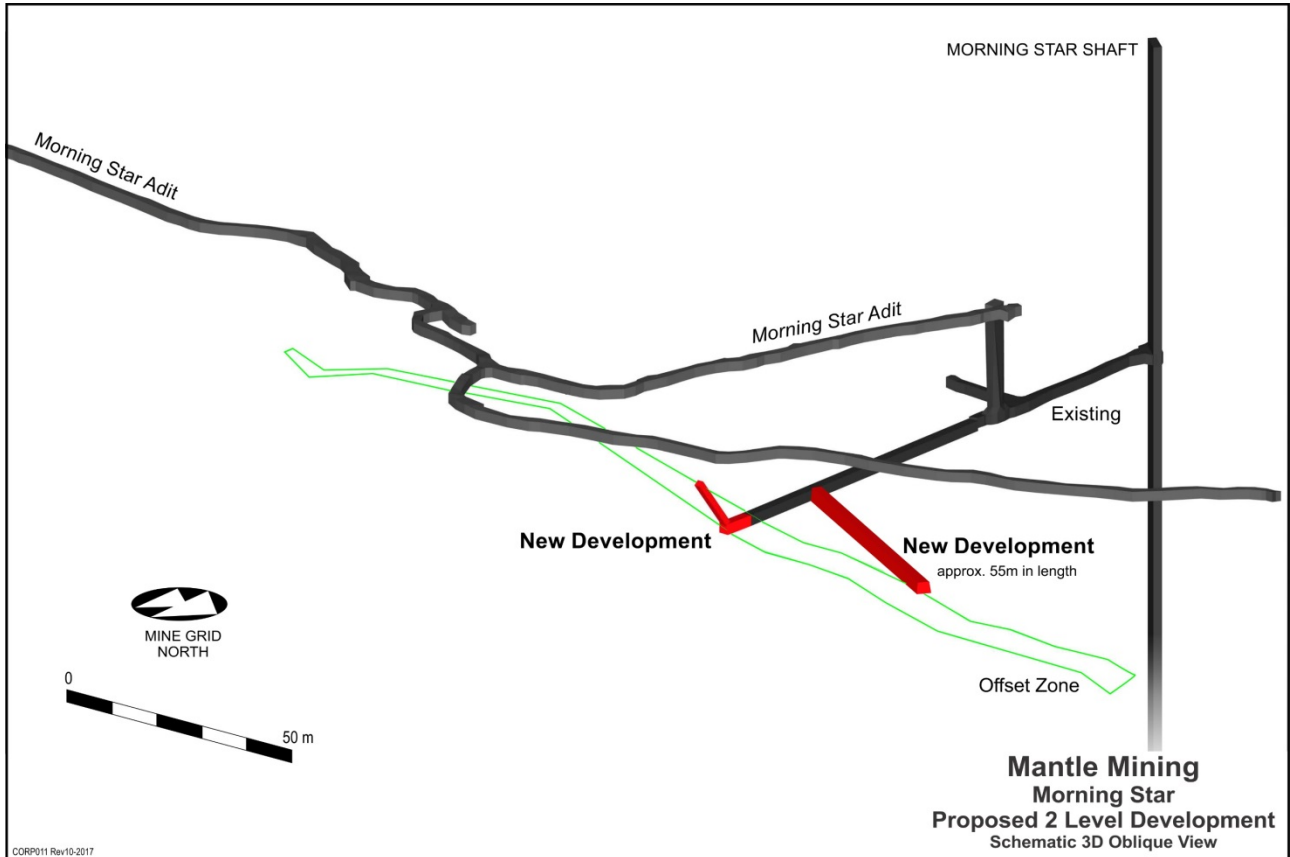
Mr de Vries further added: "Concurrently, we intend to permit a conventional decline which we believe will optimise our access to higher grade gold ore".

Access to the Stacpoole Zone via the existing Morning Star Shaft

Previous ASX releases by the Company have highlighted that the most cost and time effective means to a bulk sample with trial mining is via 2 level off the existing Morning Star shaft. This bulk sample will allow Mantle to compare any gold in ore upgrade to that seen in comparison to the diamond drilling achieved in the Stacpoole zone. The bulk sample will also provide feed to recommission and optimise the onsite processing plant.

The Company's development plan to the Stacpoole zone is consistent with its staged approach toward achieving production, with prudent capital management and risk mitigation. Figure one below shows the minimal amount of development required to access the Stacpoole zone, with the dyke over sediment offset accessed for further development on the gold bearing zone at that point. In addition, the Stacpoole zone lies above the end of the existing 2 level development and will be accessed by a conventional handheld rise. Once the zone is accessed, sampled and inspected, further development and subsequent trial mining can be undertaken.

Figure 1 Planned development to the Stacpoole zone. The green area represents the dyke over sediment offset environment of the Stacpoole zone.



Shaft Repairs Complete

The shaft repair works involved upgrading a number of ladder platforms to 2 level, due to some works not being fully completed prior to closure in 2012. The pump, compressed air and fresh water lines were also repaired in the shaft. All electrical equipment has been inspected with most of the winder related controlling devices to 8 level being fully replaced due to exposure to water and lack of use over the last 5 years.

Explosives Approval Granted

Approval has been received to permit local explosive storage and use at the Morning Star gold mine. Further works will occur on an additional explosive magazine at the Morning Star site.

Recruitment and Mobilisation of Workforce Complete

Experienced handheld mining contractors hired on a campaign basis will lead mining on 2 level, working as 2 crews on a 12 hours shift, 7 days on and 7 days off basis (dayshift only). These contractors are supported by experienced Morning Star mine superintendents and mine site employees, including underground labourers, winder drivers, fitters and electricians.

Winder Successfully Recommissioned

The Morning Star winder has been successfully recommissioned, following a full overhaul of the braking system, PLC controls, rope and conveyance testing as well as a full and detailed risk assessment.

The commissioning of the winder provides full access underground to commence development on 2 level to access the Stacpoole zone and is crucial for the operation of the mine, maintaining access, dewatering and infrastructure maintenance.

Figure 2 Re-commissioned Morning Star Winder



Trial Mining Proceeding to Plan

Following the completion of essential repairs highlighted above, work has now commenced on 2 level to set the level up for development. This involves relocating the primary ventilation fan, removing backfill material from the old existing level and laying of rail to allow haulage of the development material.

This preparation work, which is expected to take under a month, is required before significant development to the Stacpoole zone will commence. Development to the Stacpoole zone is expected to commence in January 2018, with trial mining of the bulk sample to run through to the end of February 2018 with ore being processed on site.

About Mantle Mining:

Mantle is focused on the return to production of the Morning Star mine - **an advanced high-grade gold project, with significant infrastructure including processing plant, a strategic tenement footprint, and prospectivity, well positioned for near-term trial mining.**

In addition, Mantle intends to develop its adjoining tenements in the Walhalla to Woods Point gold district into low cost high grade gold production projects.

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Disclaimer:

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