



ASX Release

29 August 2012

Bacchus Marsh JV Update

Mantle Mining Corporation Limited (ASX: MNM) "Mantle", is pleased to provide the following update on activity in relation to the Bacchus Marsh Brown Coal Upgrade and Export Project in Victoria:

Recent Background:

On 4 June 2012, Mantle announced that a drilling program designed to the standards required to report a JORC Inferred Resource had been completed.

On 7 July 2012, Mantle and Exergen Pty Ltd announced the execution of a 50/50% Joint Venture Agreement to develop the coal deposit utilizing Exergen's CHTD coal dewatering technology. Consideration from Exergen to Mantle for 50% of the project was \$500,000 plus a Technology Licence for Mantle to use CHTD at Bacchus Marsh. Under the terms of the JVA, once a JORC Resource is announced, Exergen would become Project Manager with the intent to construct a Demonstration Plant, at Exergen's cost, to confirm viability of the technology at commercial scale.

On 15 August 2012, Mantle announced a 1.6 billion tonne Inferred Coal Resource reported in accordance with the JORC Code, and Exergen began takeover as Project Manager.

Current Activity:

Payment of the JVA Consideration:

The \$500,000 payment was made to an escrow account with release to Mantle pending final transfer of 50% of the exploration tenements to Exergen. The transfer has now been completed and a final confirming letter from the relevant Government Department is the only remaining condition precedent to funds release. Mantle expects this to complete within September.

Communications and Public Relations:

Exergen have taken over communications responsibility for the project. Enquiries should be addressed to Mr Duncan Macfarlane at Crook Publicity on mobile: 0435 092 936.

Concept Scoping Study:

Exergen has commenced a detailed scoping study to examine the potential of a mine site at Bacchus Marsh. The study is expected to be completed during October. Results of the scoping study will allow the JV partners to determine next steps in progressing the project.

Further information:

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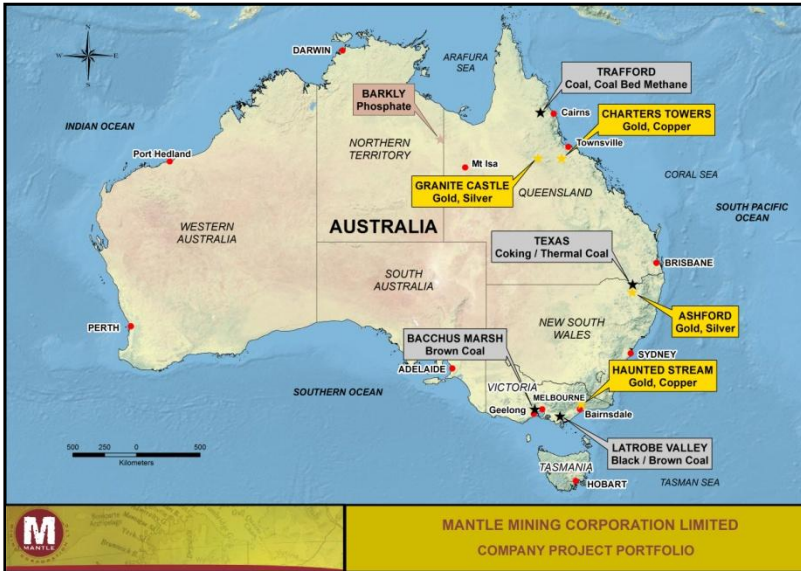
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MANTLE MINING CORPORATION LIMITED'S COMPANY PROJECT PORTFOLIO:



- ★ Granite Castle Gold & Silver (QLD)
- ★ Charters Towers Gold & Copper (QLD)
- ★ Haunted Stream Gold & Copper (VIC)
- ★ Ashford Gold & Silver (NSW)
- ★ Trafford Coal & Coal Bed Methane (QLD)
- ★ Latrobe Valley Black & Brown Coal (VIC)
- ★ Bacchus Marsh Brown Coal (VIC)
- ★ Texas Black Coal (QLD)
- ★ Barkly Phosphate (NT)

QLD Gold Projects

The **Granite Castle** Project area contains a JORC Measured, Indicated and Inferred gold and silver Resource¹. Mineralisation occurs in a 600m long portion of a single shear. Over 14km of additional shears have been located, most with drill holes and/or rock chip samples at similar grades to the JORC Compliant shear. The **Charters Towers** Project area contains the Great Britain JORC Inferred gold Resource² as well as a number of historic mines, including Day Dawn West, immediately west along strike of Citigold's (ASX: CTO) proposed "City" mining area. The Gromac/Puzzler area is prospective for deposits of copper, gold, silver and molybdenum.

VIC Gold Projects

The **Haunted Stream** Project area is prospective for gold and copper including many historical, high-grade, gold mines along the Haunted Stream fault corridor. Deep drilling at centrally located Anomaly 4, a major target for possible deep vein gold or porphyry copper-gold mineralisation, intersected multiple shear zones with visible base metals.

NSW Gold Projects

The **Ashford** Project area is prospective for precious and base metals and a number of other minerals. The company has been granted three tenements for an initial three year period and is currently undertaking a detailed study of historical mining activity and regional prospectivity. The area represents Mantle's first work in NSW, a state where the company believes future access for mineral exploration will be expanded.

QLD Coal Projects

The **Trafford** Project area contains a large Exploration Target³ of black coal. Mantle has recently reached agreement with the traditional custodians of Mt Mulligan who have Authorised an Indigenous Land Use Agreement (ILUA), a prerequisite to undertaking initial exploration activities. The **Texas** Project area is prospective for thermal and coking coals of similar quality to Surat and Bowen Basin coals. The tenements are along strike from known coking coal deposits and thermal coal drill intercepts located to the south and north.

VIC Coal Projects

The **Bacchus Marsh** Project area contains a JORC Inferred Brown Coal Resource⁴ surrounding the Maddingley mine. Mantle has executed a JVA with Exergen Pty Ltd to develop the deposit utilising Exergen's patented Continuous Hydro-Thermal Dewatering (CHTD) technology. Exergen's partners include Tata Power, Itochu, Thiess and Sedgman. The **Latrobe Valley** Project area is prospective for both black and brown coal deposits including many historical mines within the Gippsland Basin. The tenements immediately about the main Latrobe Valley depression. There is a high level of prospectivity that the historic Wonthaggi Black coal seams exist at depth within the project area.

NT Phosphate Project

The **Barkly** Project area sits in the Georgina Basin between Minemaker's (ASX: MAK) Wonarah deposit and Phosphate Australia's (ASX: POZ) Highland Plains deposit. Historic phosphate rock intercepts exist within the tenements and Mantle is undertaking a series of annual drilling programs to more closely define the potential for covered deposits.

1, 2, 3 & 4: **Mineral Resource and Exploration Target tables and associated Competent Persons Statements on next page.**



JORC MINERAL RESOURCES, EXPLORATION TARGETS and COMPETENT PERSONS STATEMENTS:

1. Granite Castle Gold & Silver Project:

Granite Castle Gold and Silver Resource Estimate (@ 0.2 g/t Au lower cut-off)					
Class	Tonnes	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)
Measured	122,614	3.99	15,727	53.3	209,941
Indicated	264,021	3.44	29,198	67.6	574,182
Inferred	460,443	2.32	34,375	50.4	746,680
Total	847,078	2.91	79,301	56.2	1,530,803

Granite Castle Gold and Silver Exploration Target					
Target	Tonnes	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)
Below JORC Resource	300,000 – 400,000	2.5 – 3.5		55 – 70	
Total	300,000 – 400,000	2.5 – 3.5		55 – 70	

Statements in this report relating to the Granite Castle Gold and Silver Resource Estimate are based on a report provided to the Company by Hellman and Schofield Pty Ltd, dated 16th May 2008 and first released to the ASX by Mantle on 28th May 2008. "The information in this report that relates to Mineral Resources is based on information compiled by Dr William Yeo, a full time employee of Hellman and Schofield Pty Ltd. Dr Yeo is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type 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". Dr Yeo consents to the inclusion of the matters based on his information in the form and context in which it appears in this report." The report also covered mineralised structures below the resource and quantified a contained exploration potential (Exploration Target) within those structures. Dr Yeo notes that the potential quantity and grade of the Exploration Target is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource"

2. Charters Towers Gold Project:

Great Britain Gold Resource Estimate (@ 0.5 g/t Au lower cut-off)					
Class	Tonnes	Au (g/t)	Au (oz)		
Inferred	2,128,000	1.8	125,000		
Total	2,128,000	1.8	125,000		

Statements in this report relating to the Great Britain Gold Resource Estimate are based on a report provided to Glengarry Resources Ltd by Resource Evaluations Pty Ltd dated August 2004 and independently confirmed by Ravensgate Minerals Industry Consultants and included in Mantle's 2006 Prospectus as released to the ASX by Mantle on 2nd October 2006. The Resource Evaluations Pty Ltd report was compiled by Mr Mark Drabble, a Member of the Australasian Institute of Mining and Metallurgy and Mr Gerry Fahey, also a Member of the Australasian Institute of Mining and Metallurgy: "This report was completed under the overall supervision and direction of Gerry Fahey and the 3D modelling and Mineral Resource estimation was carried out by Mark Drabble both of whom are Competent Persons as defined by the Australasian Code for the Reporting of Mineral Resources and Ore reserves (JORC Code) 1999 edition and who consent to the inclusion in this report of the matters based on his information in the form and context in which it appears."

3. Trafford Coal Project:

Mt Mulligan Black Coal Exploration Target							
Target	Tonnes (Mt)	TM (%)	Ash (% adb)	VM (% daf)	FC (% daf)	TS (% adb)	SE (Mj/Kg)
Mulligan Sub-basin	100 – 500	2 – 3	11 – 42	29 – 39	60 – 71	0.14 – 0.43	16 – 28
Total	100 – 500	2 – 3	11 – 42	29 – 39	60 – 71	0.14 – 0.43	16 – 28

Statements in this report relating to the Mt Mulligan Coal Exploration Target are based on data provided to the Company by the vendors of the project, as first released in a report to the ASX by Mantle on 25th September 2007: "Under the Guidelines for the Estimation and Reporting of Australian Black Coal Deposits (1999), Mount Mulligan had an identified Class 1 deposit of 144m tonnes and an identified Class 2 deposit of 507m tonnes". Upon review of the geological data in consultation with Mantle's consultant geologists, it was considered appropriate that the range of the Exploration Target be considered as 100M to 500M tonnes. Information in this report that relates to Exploration Results is based on information compiled by Mr Ian Kraemer an Executive of Mantle Mining Corporation Ltd. Mr Kraemer is a Fellow of the Australasian Institute of Mining and Metallurgy and 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. In addition, Mr Kraemer notes that the potential quantity and grade of the Black Coal Exploration Target is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

4. Bacchus Marsh Coal Project:

Bacchus Marsh (Maddingley Seam) Brown Coal Resource Estimate (@ 30% Ash upper cut-off)							
Class	Tonnes (Bt)	TM (%)	Ash (% db)	VM (% db)	FC (%db)	TS (% db)	GDSE (Mj/Kg)
Inferred	1.6	52.9	10.4	47.2	42.4	3.4	24.5
Total	1.6	52.9	10.4	47.2	42.4	3.4	24.5

Statements in this report relating to the Bacchus Marsh Brown Coal Resource estimates are based on a report provided to the Company by AMC Consultants Pty Ltd, dated August 2012: "Information in this report that relates to Coal Resource estimates prepared by AMC Consultants Pty Ltd is based on information compiled by Ms K Zunica, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of AMC Consultants Pty Ltd. The estimates are based on exploration data provided by Mantle Mining Corporation Ltd. Ms Zunica has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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". Ms Zunica has provided written consent to the inclusion in the report of the matters based on her information in the form and context in which it appears."