



**MANTLE MINING**

ASX: MNM and MNMO

**DIRECTORS**

Mr Martin Blakeman  
Chairman

Mr Stephen de Belle  
Managing Director

Mr Peter Anderton  
Executive Director,  
Technical

**COMPANY SECRETARY**

Mr Winton Willesee

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**ASX Release  
31 January 2008**

**Quarterly Activities Report  
for the period to  
31 December 2007**

**Highlights:**

- **Acquisition of Mt Mulligan Coal Project**
- **Solid Progress with Gold**
- **Successful first 12 months of Operations**

**Mantle Mining Corporation Limited (ASX: MNM)**, is pleased to report that in the 13 weeks ending 31 December 2007 the Company successfully completed the acquisition of its 87.5% interest in the Mt Mulligan Coal Deposit, near Cairns, Queensland, including settlement of the purchase.

Following the settlement, the Company initiated work regarding the access agreement that will be necessary to permit exploration activity at Mt Mulligan and commissioned a Scoping Study regarding the nature of, and issues to be addressed regarding, exploration and development of the Mt Mulligan Coal Deposit. The completed Study was received today. A further announcement will be made once the Study has been reviewed.

The Company also retained a new Managing Director - Ian Kraemer – who has extensive experience regarding coal and business development activities generally. Ian formally takes up the role on Monday 4 February, and is based in Brisbane.

In addition, the Company continued with exploration activities that have been foreshadowed at its various gold and uranium tenements.

Lastly, Mantle successfully implemented a share placement, raising \$1,240,000 and announced and commenced implementation of a Rights Issue (to raise \$1,914,000, and due to close on 29 February 2008).

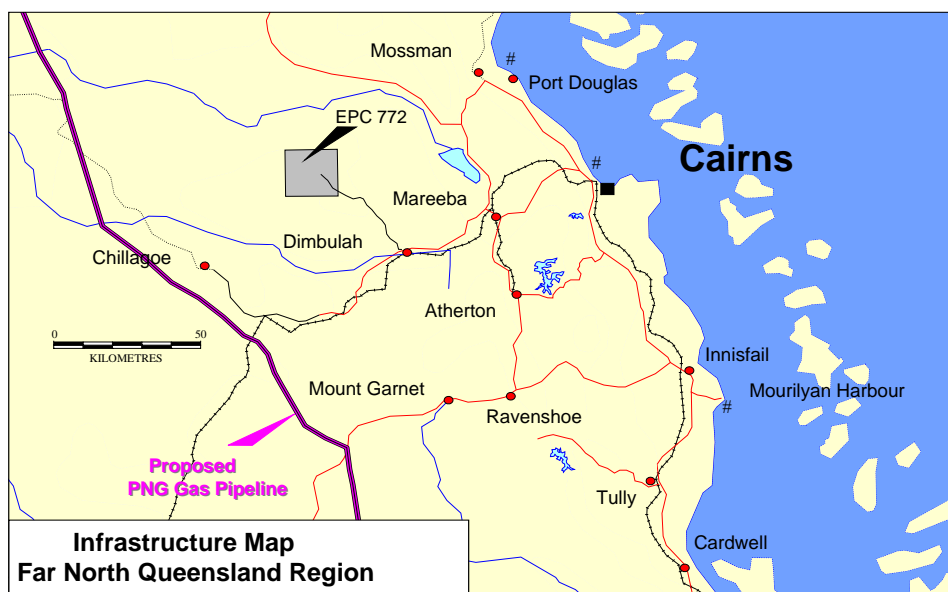
The Company has more than sufficient funds available for expenditures planned for the next 12 – 18 months.

Total cash expenditure in connection with the above exploration activities, for the Quarter to end December 2007 was \$375,000.

## Project Specific Information

### Mt Mulligan Coal Deposit (EPC772 & ATP718P)

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.



### Previous Exploration

Subsequent to closure of the previous mines 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. Six seams are recognised in the descriptive material regarding the deposit. In addition, CRA reportedly discovered three additional coal sequences in the northern area of the deposit, the extent of which is unknown.

Of the known extensive seams, three were worked. Unfortunately, only 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.

Once access has been agreed, Mantle intends extending the drilling, probably both from the top of the mesa and the sides, as well as conducting survey and trench work in the talus area around the base of the mesa. Part of this program will involve taking proper, full seam samples for use in beneficiation tests – since the washery data that currently exists is limited.

In addition, the Company will be investigating development options and issues, such as identification of low capital cost options for early development, road vs rail transportation and port matters. A Scoping Study regarding Mt Mulligan exploration and development issues was commissioned in October. The purpose of the Study was to provide a consolidated review of the Deposit and a framework for consideration of issues going forward. The Study has just been completed.

It is hoped that drilling may be able to commence by mid 2008 and that a pre-feasibility study may be completed by the end of the year.

## **Queensland Gold**

### **Granite Castle Deposit (EPM14179)**

During the last quarter, work focussed on site clean-up following the previous drill program, interpretation of the previous, very encouraging results (reported in September) and planning for the next phase of drilling – which commenced in mid January. Approximately 2,000 metres of drilling is planned.

A formal resource re-calculation for the Granite Castle Deposit has commenced. The results are due in February 2008.

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 Great Britain structure itself. It is these targets that are currently being drilled.

### **Great Britain Deposit (EPM14388)**

Clean-up and interpretation activities, followed by planning, were also the order of the day at Great Britain. The planning for the next phase of drilling focussed not so much on the Deposit itself, which has now been essentially fully delineated, but on adjacent and nearby analogous targets, which were mapped and sampled. These targets – Granny's Swamp, Puzzler West, Chinamans - will be the subject of scout drilling when the current program at Granite Castle is complete (early February). Approximately 2,000 metres of drilling is planned.



## **Victorian Gold**

Activities in Victoria in the December Quarter 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 has produced a number of encouraging results (see September Quarter report), some of which will be followed up by scout drilling. The exploration target remains bulk tonnage, from the surface, not narrow vein, high grade leads.

Approximately 1000 metres of drilling are planned for late in the first quarter of 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 increasing pace of work, Mantle employed two new full time geologists and one part time geologist.

Stephen de Belle will remain on the Board, as a non-executive director, when he steps down from the role of Managing Director on 4 February.

## **Subsequent Events**

The only subsequent events have been noted above:

- Drilling commenced at the Company's Granite Castle Gold Deposit on 12 January
- The Mt Mulligan Scoping Study was received in late January 2008.

## **Overall Situation**

The overall position of the Company is that during 2007, the initial twelve months since listing in late 2006, Mantle:

- Successfully acquired 87.5% of the major Mt Mulligan coal deposit, near Cairns, thereby providing shareholders with attractive exposure to the energy sector in return for a very modest buy-in cost;



- Confirmed the extent of and potential upside regarding the Granite Castle Gold Deposit, with a worthwhile improvement in assay grades being reported in September and a potential extension to the Deposit being subsequently identified. In addition, a number of adjacent prospects were also identified. Step-out and scout drilling of these opportunities is currently under way;
- Delineated and confirmed the extent of the Great Britain Gold Deposit and identified a number of adjacent analogous surficial targets, that will be subject to scout drilling in early 2008; and
- Fallen a bit behind its advised work program due to non-availability of drill rigs and slow turn-around of assay results. However the actual results have been encouraging and the Company hopes that once the latest drilling is completed its gold deposits will have been substantially re-ranked and moved materially toward being development ready.

For further information:

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## About Mantle Mining

Mantle Mining is a diversified resource company which has successfully completed the first 12 months of operations since its IPO in November 2006.

The company has:

- **Very large, coal deposit, that was previously mined, near Cairns**
- **Two Advanced Gold Projects in Queensland**
  - **Great Britain Deposit**
  - **Granite Castle Deposit**
- **Highly gold prospective ground in Eastern Victoria**
- **Highly prospective uranium ground in Queensland and NT**

Mantle recently acquired the 500 million tonne Mt Mulligan coal deposit and former mine, near Cairns, with a view to a combined highwall and longwall mining operation plus CSM extraction and sale.

Mantle Mining assembled a high quality suite of projects, largely to the west of the historic mining precincts of Charters Towers, where the Granite Castle and Great Britain deposits contain combined JORC standard inferred resources of 290,000 oz Au, and where post IPO drilling has enhanced the Granite Castle resource and confirmed the Great Britain resource. Additionally, highly prospective ground covering a six kilometre gold anomalous corridor (with rock chip values to 42gm/t Au) along a major structure has been secured in Eastern Victoria.

The Company has exposure to three strong resource markets: gold (fungible hedge & store of value), uranium (energy) and thermal coal (energy/bulk commodity).

*The information in this report that relates to Exploration Results is based on information compiled by Mr P Anderton, a Director of the Company. Mr Anderton is a Member of the Australasian Institute of Mining and Metallurgy (Aus I M M). Mr Anderton 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 Anderton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*