



ACN 107 180 441

**ASX Release
25 September 2007**

MANTLE MINING CORPORATION LIMITED

Mantle Seizes Major Coal Opportunity

Diversifies Commodity Base in North Queensland

Acquisition of 500 million tonne Coal Deposit

Mantle Mining Corporation Limited (ASX: MNM), is pleased to advise that it has entered into an agreement with Trafford Coal Pty Ltd (Trafford) whereby it will acquire 87.5% of the Mt Mulligan coal deposit, including coal seam methane (CSM) rights, via acquisition of 100% of the share capital of Trafford.

The deposit, which is approximately 100km west of the Port of Cairns (see EPC 772 in map below) is estimated at approximately 500 million tonnes, with a theoretical washed specification (from CRA (1975) and International Mining Corporation (1982)) including:

- specific energy: 26-28 MJ/kg**
- sulphur: 0.3-0.4%**
- ash: 14-18%**

The acquisition provides the Company with a more diversified portfolio of assets and access to significant participation in the strong energy market of North Asia.

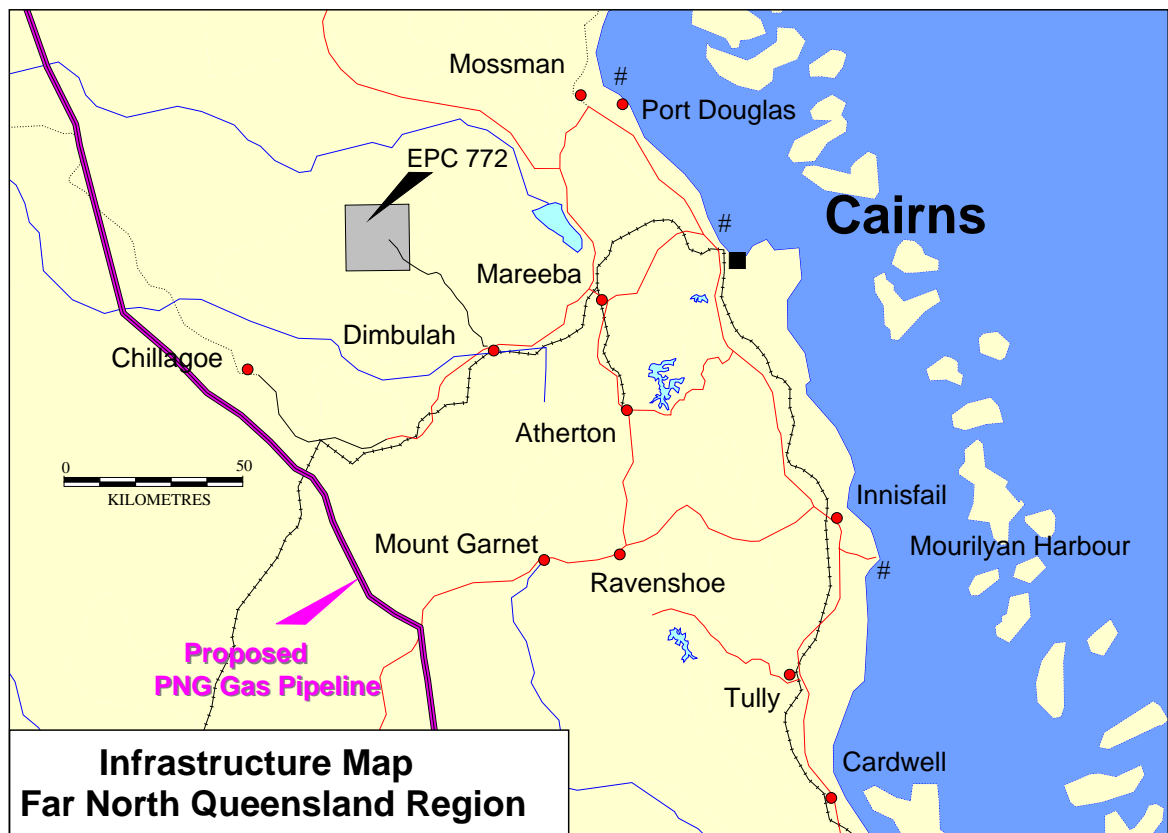
The total consideration payable by Mantle: \$100,000 cash and the issue of 2 million fully paid ordinary shares in Mantle at a deemed issue price of 20 cents each.

The Permian Mt Mulligan Coal Measures cover an area of approximately 63square km, and are exposed at the base of the 150 – 350 metre thick Triassic sandstone Mt Mulligan mesa. The measures contain four potentially significant coal seams, which vary in thickness between 0.7 - 7.5 metres. The upper member of the Measures is a high volatile (35.3%), high ash (18%), low rank (Ro max of 0.75). low sulphur (0.30%) thermal coal within the bituminous range, with a medium specific energy of 24MJ/kg.

Historically, 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. Despite being mined for over 40 years the deposit is under explored, with only two holes effectively testing the basin. It is anticipated that straightforward mining techniques of conventional highwall and longwall mining will be used. A total of 981,007 tonnes of coal were mined from the field between 1910 and 1957.

Trafford holds a Call Option over an 87.5% interest in the tenements, which are currently held by Calcifer Industrial Minerals Pty Ltd, which Mantle intends to exercise (leaving Calcifer with 12.5%).

The acquisition concerns the tenements EPC 772 (rights to coal) and ATP 718P (rights to coal seam methane), which are virtually coincident. The deposit was mined during the period from 1910 to 1957, when the local power station was shut down and rail locomotives converted to diesel. Road and rail infrastructure to the port of Cairns are in place.



Mantle intends to next progress:

1. **An Access Agreement:** Negotiate and settle a suitable access agreement with the Djungan Aboriginal Corporation, the relevant Native Title party.
2. **A Conceptual Study:** Complete a conceptual study regarding development options and issues.

The Conceptual Study is intended to take up to two months and will pull together existing and new data regarding the deposit and development issues, including addressing such matters as:

- Exploration program, including significant drilling, for improved understanding and upgrading the status of the deposit;
- Likely parameters for a longwall operation, the preferred underground mining technique, including indicative capital and operating costs;
- Likely preferred highwall mining technique, including indicative capital and operating cost;
- Beneficiation issues;
- Appropriate utilisation of washery reject material, for possible power station feed or upgrading and sale;
- Appropriate utilisation of CSM, for sale as gas or use of power station feed;
- Infrastructure, access and development issues, including road, rail and port matters; and
- Environmental and heritage issues.

The Conceptual Study will provide a framework for development planning. Subject to infrastructure issues and constraints, the likely path to development will involve initial implementation of highwall mining, to provide cash flow and an operating base at site to assist with expanded coal production via longwall operations and the other development opportunities at Mt Mulligan.

Subsequent to the closure of the coal mine by the State Government, the deposit was held by CRA (in the early-mid 70's) and by International Mining Corporation NL (early 80's), who generated the estimated size of the deposit noted above – during which periods the relative demand for coal was such as to not justify re-opening the mine. The circumstances of the international coal market are now significantly more positive however.

For further information;

Stephen de Belle Managing Director - Mantle Mining 0412 007 027	Doug Macdonald Capital Group 0424 255 959
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About Mantle Mining

Mantle Mining is a diversified resource company which successfully completed its IPO in November 2006.

The company has:

- **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**
- **Very large, coal deposit, that was previously mined, near Cairns**

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.

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.

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.



ABN 70 107 180 441

26 September 2007

The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

MANTLE MINING CORPORATION LTD (ASX: MNM) - SECONDARY TRADING NOTICE PURSUANT TO SECTION 708A(5)(e) OF THE CORPORATIONS ACT 2001

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (“**Act**”).

The Company has issued 2,000,000 ordinary fully paid shares in the capital of the Company (“**Shares**”) as per the Appendix 3B lodged with the ASX today.

The Company advises that the Shares and Options were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Act.

As at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Act.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Winton Willesee', is positioned above the typed name.

**WINTON WILLESEE
COMPANY SECRETARY
MANTLE MINING CORPORATION LTD**

One last option conversion hopfullyFRule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

MANTLE MINING CORPORATION LIMITED

ABN

70 107 180 441

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,000,000 Shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>Shareholding in Trafford Coal Pty Ltd as announced to ASX on 25 September 2007.</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Consideration for the acquisition of the shareholding in Trafford Coal Pty Ltd as announced to ASX on 25 September 2007.</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>25 September 2007</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1433 989 1478">Number</th> <th data-bbox="989 1433 1281 1478">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 989 1556">31,662,500</td> <td data-bbox="989 1478 1281 1556">Ordinary Fully Paid Shares</td> </tr> <tr> <td data-bbox="686 1556 989 1641">15,200,000</td> <td data-bbox="989 1556 1281 1641">Listed Options</td> </tr> </tbody> </table>	Number	⁺ Class	31,662,500	Ordinary Fully Paid Shares	15,200,000	Listed Options
Number	⁺ Class						
31,662,500	Ordinary Fully Paid Shares						
15,200,000	Listed Options						

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	15,937,502 6,000,000	Ordinary Fully Paid Shares Options (\$0.25, 30 April 2009)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No Dividend payable in accordance with current policy.	

Part 2 - Bonus issue or pro rata issue

- | | |
|--|--|
| 11 Is security holder approval required? | |
| 12 Is the issue renounceable or non-renounceable? | |
| 13 Ratio in which the +securities will be offered | |
| 14 +Class of +securities to which the offer relates | |
| 15 +Record date to determine entitlements | |
| 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 Policy for deciding entitlements in relation to fractions | |
| 18 Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 Closing date for receipt of acceptances or renunciations | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date:25 September 2007.....
(Company Secretary)

Print name:
Winton Willesee

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+ See chapter 19 for defined terms.