

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 four (4) Shares held by Shareholders at an issue price of 4 cents per Share to raise approximately \$1,183,970 together with one (1) free new Option for every two (2) new Shares issued exercisable at 7 cents on or before 31 December 2010 (**Offer**).

The Offer 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	26 October 2009
Notice sent to Shareholders	27 October 2009
Ex Date	28 October 2009
Record Date for determining Shareholder entitlements	4 November 2009
Prospectus despatched to Shareholders	9 November 2009
Closing Date of Offer	24 November 2009
Securities quoted on a deferred settlement basis	25 November 2009
Notify ASX of under-subscriptions	27 November 2009
Despatch date/Securities entered into Shareholders' security holdings	2 December 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 26 October 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 25 November 2010 (**Expiry Date**). No Securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Securities 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 Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 3.6, the Company will apply to the ASX for quotation of the Securities offered under this Prospectus. If quotation is granted, the Securities offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Securities through that market, you will have to make arrangements for a participant in that market to sell the Securities on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Securities and trading may differ from securities markets that operate in New Zealand.

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 Robert Anderton (Non-Executive Director)
Stephen de Belle (Non Executive Director)

Company Secretary

Winton Willesee

Registered Office

Level 1, 2 Ross Place
SOUTH MELBOURNE VIC 3205

Principal Place of Business

Level 1, 2 Ross Place
SOUTH MELBOURNE VIC 3205

General Enquiries

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

Underwriter

Cygnnet 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 29,599,253 new Shares and approximately 14,799,627 new Options pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one (1) new Share for every four (4) Shares held on the Record Date at an issue price of 4 cents per Share together with one (1) free new Option for every two (2) new Shares issued. Fractional entitlements will be rounded up to the nearest whole number.

The Options issued will be exercisable at 7 cents on or before 31 December 2010.

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 29,599,253 and the maximum number of Options is 14,799,627. The Offer will raise approximately \$1,183,970. 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 2,450,000 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 4 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 \$1,183,970 (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. 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 4 cents being the price at which the Entitlement has been offered to Shareholders pursuant to this Prospectus.

Shareholders who wish to apply for Securities above their Entitlement (and participate in the Shortfall) can complete the relevant section of the Entitlement and Acceptance Form (titled "Additional New Shares") attached to the back of this Prospectus and return it, together with a cheque for the value of those Shortfall Securities (at 4 cents per Share) (and their Entitlement) to the Company.

Persons identified by the Underwriter to participate in the Shortfall who are not Shareholders, must complete a Shortfall Application Form provided by the Underwriter.

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 Securities 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 Securities 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 Securities 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 Securities 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 Securities

Securities issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Securities on the basis of a Shareholder's Entitlement. Where the number of Securities 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 Securities 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 (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES 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 Securities 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 Securities, 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 Securities, 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 \$1,183,970 (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:	
• Haunted Stream Gold Drilling	250,000
• Granite Castle Gold Drilling	225,000
• Barkly Phosphate Drilling	300,000
• Mt Mulligan and Other Projects	110,000
Corporate Overheads and Working Capital	192,527
Expenses of the Offer	106,443
Total	1,183,970

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 \$1,077,527 immediately after completion of the Offer after deducting the estimated expenses of the Offer;
- (b) increase the number of Shares on issue from 118,397,014, to approximately 147,996,267 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 2,450,000, to approximately 33,249,627 Options following completion of the Offer (this includes 10,000,000 to be issued to the Underwriter (or nominees) in part consideration for underwriting the Offer and for services provided in relation to the October Placement and 6,000,000 Options to be issued to participants in the October Placement – the grant of all of these Options is subject to Shareholder approval being sought at the Annual General Meeting).

4.3 Consolidated Balance Sheet

The unaudited Balance Sheet as at 30 September 2009 and the unaudited Pro Forma Balance Sheet as at 30 September 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 Securities 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 30 September 2009

	Actual	Pro-Forma
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	851,019	2,379,746
Trade and other receivables	30,205	30,205
TOTAL CURRENT ASSETS	<u>881,224</u>	<u>2,409,951</u>
NON-CURRENT ASSETS		
Receivables	33,442	33,442
Property, plant and equipment	158,803	158,803
Exploration costs	7,092,724	7,092,724
TOTAL NON-CURRENT ASSETS	<u>7,284,969</u>	<u>7,284,969</u>
TOTAL ASSETS	<u>8,166,193</u>	<u>9,694,920</u>
CURRENT LIABILITIES		
Trade and other payables	128,377	128,377
Provisions	33,731	33,731
TOTAL CURRENT LIABILITIES	<u>162,108</u>	<u>162,108</u>
TOTAL LIABILITIES	<u>162,108</u>	<u>162,108</u>
NET ASSETS	<u>8,004,085</u>	<u>9,532,812</u>
EQUITY		
Issued capital	10,804,398	12,333,125
Reserves	163,454	163,454
Accumulated losses	(2,963,767)	(2,963,767)
TOTAL EQUITY	<u>8,004,085</u>	<u>9,532,812</u>

NB: The above proforma balance sheet has been prepared on the basis that the October Placement and the Offer had been completed as at 30 September 2009.

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	118,397,014
Shares offered pursuant to the Offer	29,599,253
Total Shares on issue after completion of the Offer	147,996,267

Options

	Number
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 December 2012	1,000,000
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
Listed exercisable at \$0.07 on or before 31 December 2010 to be issued pursuant to the October 2009 Placement ¹	6,000,000
Options offered pursuant to the Offer	14,799,627
Options to be issued to the Underwriter ²	10,000,000
Total Options on issue after completion of the Offer ³	33,249,627

Notes:

1. These Options are to be issued to participants in the October Placement completed on 16 October 2009. The grant of these Options is subject to Shareholder approval sought at the Annual General Meeting.
2. These Options are to be issued to the Underwriter (or nominees) in part consideration for underwriting the Offer and for services provided in relation to the October Placement. The grant of these Options is subject to Shareholder approval sought at the Annual General Meeting. Refer to Section 7.2 for further details.
3. Includes the Options to be issued to the Underwriter (or nominees) in part consideration for underwriting the Offer and for services provided in relation to the October Placement as detailed above. The grant of these Options is subject to Shareholder approval sought at the Annual General Meeting.

5. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES AND OPTIONS

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.

5.2 Terms of Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Option Holder the right to subscribe for one Share. To obtain the right given by each Option, the Option Holder must

exercise the Options in accordance with the terms and conditions of the Options.

- (b) The Options will expire at 5.00 pm (WST) on 31 December 2010 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be 7 cents (**Exercise Price**).
- (d) The Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion. Where less than 1,000 Options are held, all Options must be exercised together.
- (e) An Option Holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the Options on ASX.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) Other than pursuant to term (n), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.

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 Securities. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

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 Mt Mulligan Tenements – Third Party Claim

To ensure full protection of Aboriginal Cultural heritage and future harmonious relations with the Traditional Custodians of Mt Mulligan, the Company proceeded to negotiate an Indigenous Land Use Agreement (**ILUA**). Finalisation and Authorisation (signing) of the ILUA has been delayed by the advent of a third party claim over the tenements the Company acquired which are located at Mt Mulligan (**Mt Mulligan Tenements**) (**Third Party Claim**). The Company has retained Special Counsel to work with its legal advisor, Minter Ellison, Lawyers, to resolve the Third Party Claim. 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.

6.4 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 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.

6.6 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.

6.7 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.

6.8 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.

6.9 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.

6.10 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.

6.11 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.

6.12 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 2009 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 2009 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 2009 audited financial statements:

Date	Description of Announcement
16/10/2009	Appendix 3B and Section 708 Notice
15/10/2009	Barkly Phosphate Project Tenement Granted
25/09/2009	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 29,599,253 Shares and 14,799,627 attaching Options (**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) 10 million Options exercisable at 7 cents on or before 31 December 2010 (**Underwriter Consideration Options**).

The Agreement is conditional upon:

- (a) the Company obtaining from its legal and financial advisers on or before 26 October 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 26 October 2009; and
- (c) ASX granting conditional approval for official quotation of the Underwritten Securities, subject only to:
- (i) allotment and issue of the Underwritten Securities;
 - (ii) dispatch of holding statements in respect of all the Underwritten Securities; 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 Securities 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) the Company issuing a replacement or supplementary prospectus to the Prospectus in accordance with section 719 of the Corporations Act;
- (d) 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;
- (e) 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);
- (f) 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;
- (g) 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;

- (h) 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
- (i) 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;
- (j) an officer of the Company is convicted of an criminal offence relating to a financial or corporate matter;
- (k) 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;
- (l) 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;
- (m) 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;
- (n) 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;
- (o) there is a material adverse change in the management, financial position, results of operations or prospects of the Company;
- (p) 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
- (q) 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), (g), (h), (j), (k) and (l) 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 does not have a relevant interest in any Securities.

Event	Number of Shares of the Company held by the Underwriter	Voting power of the Underwriter in the Company
Cygnnet holding as at the date of the Prospectus	Nil	0%
After issue of Shares to the Underwriter assuming 100% Shortfall	29,599,253	20%
After issue of Shares to the Underwriter assuming 75% Shortfall	22,199,440	15%
After issue of Shares to the Underwriter assuming 50% Shortfall	14,799,626	10%
After issue of Shares to the Underwriter assuming 25% Shortfall	7,399,813	5%

The number of Securities 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	12,411,653 ²	NIL	3,102,913 Shares 1,551,456 Options
Ian Kraemer	27,500 ³	1,250,000	6,875 Shares 3,438 Options
Peter Robert Anderton	3,620,676 ⁴	Nil	905,169 Shares 452,584 Options
Stephen de Belle	3,259,500 ⁵	300,000	814,875 Shares 407,438 Options

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. The above table, does not include 152,214, Shares to be issued to Martin Blakeman subject to receipt of Shareholder approval being sought at the Company's Annual General Meeting.
3. The above table, does not include 126,845 Shares to be issued to Ian Kraemer subject to receipt of Shareholder approval being sought at the Company's Annual General Meeting.
4. The above table, does not include 126,854 Shares to be issued to Peter Robert Anderton subject to receipt of Shareholder approval being sought at the Company's Annual General Meeting.
5. The above table, does not include 126,854 Shares to be issued to Stephen de Belle subject to receipt of Shareholder approval being sought at the Company's Annual General Meeting.

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 \$427,503 for the year ended 30 June 2008 and \$522,278 for the year ended 30 June 2009. In addition to the above, the Directors have been paid fees totalling \$59,375 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 does not have a relevant interest in any Securities as at the date of this Prospectus. Cygnet Capital Pty Limited will be paid an underwriting fee of approximately \$71,038 and will be issued 10,000,000 Options 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 6.3, 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	10,395
Underwriting fees	71,038
Legal expenses	10,000
Printing and other expenses	13,000
Total	<u>106,443</u>

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: \$0.066 on 16 September 2009

Lowest: \$0.034 on 19 August 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 \$0.057 on 23 October 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.

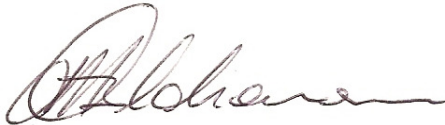
The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or 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 26th day of October 2009



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.

Annual General Meeting means the Annual General Meeting of the Company to be held on 25 November 2009 (and any adjournment of that meeting).

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 24 November 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.

October Placement means the placement of 12,000,000 Shares as announced to ASX on 16 October 2009 and (subject to the receipt of Shareholder approval at the Annual General Meeting) 6,000,000 Options.

Offer means the offer pursuant to the Prospectus of one (1) new Share for every four (4) Shares held by a Shareholder on the Record Date together with one (1) free new Option for every two (2) new Shares issued to raise \$1,183,970.

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 4 November 2009.

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

Securities means Shares and Options.

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

Shareholder means a shareholder of the Company.

Shortfall or **Shortfall Securities** 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.