



ASX Release

19 October 2012

**MANTLE MINING**

ASX: MNM & MNMOA

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## Bacchus Marsh Project Update: Scoping Study Results

**Mantle Mining Corporation Limited (ASX: MNM) "Mantle"** is pleased to provide an update (following), on its Bacchus Marsh Project, as provided by Exergen Pty Ltd, as operators of the project.

Mantle holds a 50% interest in the project covering Victorian Exploration Licence EL 5294 in a 50/50 Joint Venture with Exergen Pty Ltd.

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### **BACCHUS MARSH PROJECT TO DELIVER JOBS WINDFALL: SCOPING STUDY**

Clean coal technology group and resource developer Exergen and ASX-listed explorer Mantle Mining Corporation are pleased to announce that a scoping study on their Bacchus Marsh coal joint-venture has found the project is economically viable and would generate substantial local employment.

The study, by Sedgman Ltd and Thiess, found the project would require an initial capital investment of \$2 billion, delivering a Net Present Value of \$1.4 billion and a mine life of more than 25 years.

It found that the project would generate an average of 900 direct construction jobs, peaking at 1300 in the Bacchus Marsh and Geelong areas, including 400 permanent jobs at the mine and 90 at an associated Continuous Hydro-Thermal Dewatering (CHTD) plant.

The project would also create 3600 indirect manufacturing jobs around Australia for supply of goods and services.

Exergen CEO Trevor Bourne said that at this stage the study was a preliminary estimate based on limited information and more detailed analysis would be needed over the next few years.

Exergen's focus now will be to prove its CHTD technology at scale by developing a \$70 million pre-commercial demonstration facility, to be located in the Latrobe Valley.

"This study has confirmed that the Bacchus Marsh Coal project has the potential to be profitable and to bring major economic gains to the local community and the state of Victoria," Mr Bourne said.

"We are not talking about a token number of jobs but a very large number of well-paid permanent positions that would make a real difference to the local economy."

Mr Bourne said that the company planned to complete a bankable feasibility study on the project by the end of 2015. If that study was also positive and subject to success at the Latrobe Valley pre-commercial demonstration facility, production could potentially start at Bacchus Marsh in 2018.

This would be subject to commercial considerations and approvals. Any future development will be subject to a stringent approvals process, including strict environmental compliance obligations and comprehensive community engagement.

CHTD has been proven to work at pilot scale on Victorian and Indonesian coals. The scope of work for the Bacchus Marsh scoping study was for a Full Scale Plant (FSP) capable of producing up to 20 mtpa of CHTD processed product capable of being shipped to India.

Exergen's patented CHTD technology was entirely developed in Australia and transforms low grade, high moisture coals into a cleaner burning product with lower carbon dioxide emissions.

CHTD is a highly efficient and low emission technology because water is physically separated from the coal in the liquid state, rather than being removed through the highly energy-intensive process of evaporation.

Exergen expects that its CHTD coal would be used in next generation, state of the art power stations being constructed in India. This type of new power station emits between 30 and 40% less carbon dioxide than Victoria's existing coal-fired power stations in the Latrobe Valley.

Exergen's cornerstone investors include Tata Power, India's largest private power utility, Itochu, one of Japan's largest trading houses with extensive coal trading experience, Leighton Holdings subsidiary Thiess,



the world's largest supplier of outsourced mining services and Sedgman, a global specialist provider of mineral engineering solutions.

Exergen owns Bacchus Marsh Exploration Tenement EL 5294 in a 50/50 Joint Venture with ASX-listed resource company Mantle Mining.

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