



UPDATE ON ACQUISITION OF MORNING STAR GOLD NL – Meeting Reconvening

ASX ANNOUNCEMENT

20 APRIL 2016

Mantle Mining Corporation Ltd (ASX: MNM) (the **Company** or **Mantle**) wishes to provide the following update on its proposed acquisition of a 95% interest in Morning Star Gold NL (Subject to Deed of Company Arrangement) (Controllers appointed) (**MCO**).

Background

In August 2015, the Company agreed terms with the relevant parties to acquire, subject to shareholder approval, a 95% shareholding interest in MCO. The terms of the relevant agreement provided that, in the absence of shareholder approval, Mantle would be entitled to an exclusive right to acquire a 100% interest in the assets of the MCO via an asset sale mechanism (“Asset Sale”).

The full details can be found in the Notice of Meeting dated 16 February 2016 and distributed to MCO shareholders at that time.

In late March 2016, a meeting of the Shareholders of MCO was convened to consider the proposal. That meeting was adjourned.

Reconvening the Meeting

The meeting is to be reconvened at 2.30pm on Friday 29 April 2016 at the following venue;

**Level 4, Plaza Building Australia Square
95 Pitt Street, Sydney NSW2000**

Shareholders should note that valid proxy forms submitted for the meeting will remain valid for the reconvened portion of the meeting. Shareholders wishing to submit new proxies or replace already submitted proxies should visit Mantle’s website (www.mantlemining.com) and download the proxy form. Forms are to be received on or before 48 hours before the meeting.

Incentives to vote in favour of the resolutions

The board of directors of Mantle would urge all shareholders to vote in favour of the resolutions being put to the meeting. These resolutions relate to approval for Mantle to acquire 95% of MCO and election of Mantle’s directors to become the directors of MCO. In the absence of the approvals being obtained, the Asset Sale will proceed and the outcome for shareholders in MCO is likely to be less favourable in the opinion of Mantle.

In addition, Mantle wishes to advise that, subject to the successful passing of all the resolutions to be put to shareholders of MCO and completion of the recapitalisation proposal occurring, Mantle intends to make an offer to acquire the MCO shares held by each of the MCO shareholders. The offer consideration will be:

1. A pro-rata allocation of \$200,000 for all the shares in MCO. It is intended that shareholders be offered an election of taking their allocation either in cash, or in shares (ASX: MNM) at a relevant VWAP leading into the offer. Shareholders who elect to accept the allocation in shares will also be issued one free attaching option in MNM (ASX: MNMOC) for every two shares issued; and
2. A pro-rata allocation of 100 million options in MNM (3c, Nov 2018). These MNM options will attach to either the cash offer or the share offer as discussed in 1. above.

For the avoidance of doubt, the above offer will be made by way of private treaty offer to each of the MCO shareholders only after Mantle's shareholder interest in MCO has gone above 90%. This announcement in no way should be interpreted by Mantle as an intention to make a takeover bid for MCO.

For further information, please contact:

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