

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Mantle Mining Corporation Limited

ABN

70 107 180 441

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(541)	(679)
(b) development	-	-
(c) production	-	-
(d) administration	(228)	(356)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(758)	(1,013)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(5)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(1)	(5)
1.13 Total operating and investing cash flows (carried forward)	(759)	(1,018)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(759)	(1,018)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,664	1,664
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	(49)	(55)
	Net financing cash flows	1,615	1,609
	Net increase (decrease) in cash held	856	591
1.20	Cash at beginning of quarter/year to date	851	1,116
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,707	1,707

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	53
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- Directors' fees and salaries
- Consultancy fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

In accordance with resolutions passed at the 2009 AGM the directors were issued 532,749 shares in lieu of directors fees.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	492
4.2 Development	-
Total	492

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	50	47
5.2 Deposits at call	1,657	804
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,707	851

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	EL 27037	Beneficially held (Granted 12 Oct 2009)	0%	100%
	ELA 27868	Beneficially held (Applications all applied for on 9 Dec 2009)	0%	100%
	ELA 27869			
	ELA 27870			
ELA 27871				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities				
7.2 Changes during quarter				
7.3 +Ordinary securities	148,528,952	148,528,952		
7.4 Changes during quarter				
(a) Increases through issues	41,599,189	41,599,189	4.0 cents	Fully
(b) Decreases through returns of capital, buy-backs	532,749	532,749	4.927 cents	Fully
	-	-		
7.5 +Convertible debt securities				
7.6 Changes during quarter				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted options	300,000	-	\$0.25	30 Jun 2011
Unlisted options	250,000	-	\$0.25	4 Feb 2011
Unlisted options	450,000	-	\$0.25	13 Aug 2010
Unlisted options	450,000	-	\$0.25	13 Aug 2011
Listed options	30,799,634	30,799,634	\$0.07	31 Dec 2010
7.8 Issued during quarter				
Listed options	30,799,634	30,799,634	\$0.07	31 Dec 2010
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter				
Unlisted Options	1,000,000	-	\$0.25	30 Dec 2009
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 29 January 2010
(Company secretary)

Print name: Winton Willesee

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.