

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Mantle Mining Corporation Limited

ABN

70 107 180 441

Quarter ended ("current quarter")

31 December 2010

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 & evaluation	(584)	(896)
(b) development	-	-
(c) production	-	-
(d) administration	(266)	(387)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R&D tax refund)	-	297
Net Operating Cash Flows	(844)	(970)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(2)
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	-	(2)
1.13 Total operating and investing cash flows (carried forward)	(844)	(972)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(844)	(972)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,335	1,335
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	(42)	(44)
	Net financing cash flows	1,293	1,291
	Net increase (decrease) in cash held	449	319
1.20	Cash at beginning of quarter/year to date	713	843
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,162	1,162

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

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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

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+ 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	329
4.2 Development	-
4.3 Production	-
4.4 Administration	108
Total	437

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	759	56
5.2 Deposits at call	403	657
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,162	713

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	EPM14604		100%	0%
6.2 Interests in mining tenements acquired or increased	EL5323	Beneficial Holder	0%	100%
	EL5324	Beneficial Holder	0%	100%
	EL5325	Beneficial Holder	0%	100%
	EL2192	Beneficial Holder		100%

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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	184,466,227	184,466,227		
7.4 Changes during quarter				
(a) Increases through issues	171,674	171,674	3.49	Fully Paid
	20,000,000	20,000,000	3.00	Fully Paid
	2,505,695	2,505,695	4.39	Fully Paid
	12,587,069	12,587,069	7.00	Fully Paid
(b) Decreases through returns of capital, buy-backs				
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 2011
Unlisted options	1,500,000	-	\$0.10	31 Dec 2011
Unlisted options	2,000,000	-	\$0.20	31 Dec 2012
7.8 Issued during quarter				
Unlisted options	1,500,000	-	\$0.10	31 Dec 2011
Unlisted options	2,000,000	-	\$0.20	31 Dec 2012
7.9 Exercised during quarter	12,587,069*	12,587,069	\$0.07	31 Dec 2010
7.10 Expired during quarter	18,212,565	18,212,565	\$0.07	31 Dec 2010
7.11 Debentures	-	-		
7.12 Unsecured notes	-	-		

*includes options exercised in December where new shares were entered into the register in January.

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: 25 January 2011
(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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* 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.

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