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**CORPORATE UPDATE**

Mantle Mining Corporation Limited (ASX: MNM) ('Mantle' or 'the Company') provides the following update.

**Highlights**

- **Successful negotiation of a revised payment schedule for Morning Star Gold NL ('MCO') and Mantle with Chillee Limited ('Chillee') the prior ranking secured creditor of MCO. This revised schedule replaces the \$2 million that fell due on 28 February 2017**
- **New funding in place following completion of a private placement of \$1.35 million at a 33% premium to the last closing price**
- **Executive search program underway to expand Mantle's operational team in preparation for the commencement of development activities at the Morning Star gold mine**
- **Currently reviewing a number of competitive offers for Mantle's non-core projects**

**Revised Payment Schedule for Morning Star Gold**

Further to the Company's ASX announcement on 1 March 2017 relating to the \$2 million of overdue payments that were to be made by Morning Star Gold NL on 28 February 2017 under the terms of the Recapitalisation Deed (including amendments), the Company has now executed a revised payment schedule with Chillee, on the following basis:

- \$250,000 was paid on execution of the Deed
- \$250,000 is payable on or before 31 March 2017, in addition to an interest payment of approximately \$59,000 relating to the prior payments that were deferred from 31 October 2016 and 28 February 2016
- \$500,000 is payable on or before 31 May 2017
- \$1 million is payable on or before 31 August 2017

This revised payment schedule is set out in a further amendment to the Recapitalisation Deed, which contains a number of additional terms and conditions that are customary for an agreement of this nature, including that interest will be payable monthly on amounts outstanding at commercial rates. No upfront fees were payable in relation to this amended Deed, however if the above payment schedule is not met, default interest will be payable. The payment schedule remains an obligation of MCO and will be funded by Mantle. However Mantle has not guaranteed the payment of these amounts and recourse against it is limited solely to the assets of MCO.

**New Funding from Private Placement**

The Company has agreed terms and received signed commitments for a private placement to raise \$1.35 million from a number of sophisticated investors.

A total of 135 million shares will be issued at an issue price of \$0.01 (1 cent) per share. In addition, each share under the placement will be issued with attaching options on a one for two basis, on the following terms:

- (i) 1 option for every 4 shares in the listed class of options (ASX: MNMOC) exercisable at 1.5 cents per share, with an expiry of 30 November 2017; and
- (ii) 1 option for every 4 shares in the existing unlisted class of options exercisable at 3 cents per share with an expiry of 30 November 2018

The placement has been made to investors qualifying under Section 708 of the Corporations Act and the Company intends to use its existing capacity under Listing Rule 7.1 for the issue.

The placement was strongly supported by existing long terms shareholders of the Company as well as new investors. The funds raised will provide the Company with additional working capital to assist in funding the above-mentioned payment schedule and to advance development activities at the Morning Star Gold Project. Investors subscribing more than \$100,000 may elect to pay the balance in excess of that amount in a second tranche which is payable no later than 19 May 2017. In that instance, all stock will be held in a trading lock until the final payment tranche is received.

### **Operations Update**

The Company is progressing its mapping and sampling program of the Stacpoole zone in the Morning Star gold mine as well as its review of other contiguous near-term mining opportunities. In addition, the Company is seeking to expand its operational team and an executive search program is underway to source a senior mining engineer with appropriate experience in narrow vein underground gold mining to progress development activities at Morning Star.

Other areas of immediate focus include the assessment of a number of competitive offers received for Mantle's non-core projects in Queensland.

"Mantle greatly appreciates the ongoing commitment and support for the placement from its loyal shareholder base. We are also delighted to have reached agreement with Chillee on a revised payment schedule, whose support in providing this significant time extension is acknowledged and appreciated. Both the placement and the revised schedule will greatly assist the Company in advancing its ongoing exploration and development activities at the Morning Star Gold mine" said Dr Rick Valenta, Executive Director of Mantle Mining.

### **About Mantle Mining:**

Mantle is focused on the return to production of the Morning Star mine - **an advanced high-grade gold exploration play, with significant infrastructure, tenement footprint and prospectivity, well positioned for near-term trial mining**

#### **For Further Information:**

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