

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Mantle Mining Corporation Limited

ABN

70 107 180 441

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(287)	(1,171)
	(b) development	(215)	(307)
	(c) production	-	-
	(d) administration	(299)	(1,199)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D Refund)	281	281
Net Operating Cash Flows		(520)	(2,390)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	(110)	(210)
	(b) equity investments	(899)	(899)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	30
	(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		(1,009)	(1,079)

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1.13	Total operating and investing cash flows (brought forward)	(1,529)	(3,469)
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,964	4,240
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	150	572
1.17	Repayment of borrowings	(339)	(339)
1.18	Dividends paid	-	-
1.19	Other (Capital raising and other financing costs)	(210)	(254)
	Net financing cash flows	2,565	4,219
	Net increase (decrease) in cash held	1,036	750
1.20	Cash at beginning of quarter/year to date	255	541
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,291	1,291

Payments to directors of the entity, associates of the directors, 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	76
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- The amounts shown at item 1.23 relate to:
- Directors' fees, salaries and superannuation

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

During the quarter, the Company issued 2,174,048 fully paid ordinary shares to directors, employees and contractors in lieu of \$27,719 of accrued remuneration outstanding as at 31 March 2016. The shares were issued pursuant to the Company's approved Directors and Employees Fee Plan. Refer to item 7.4.

In addition, the Company issued a further 7,142,857 shares to services providers to the Company in lieu of accrued cash fees totalling \$80,000.

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	1,300
4.2 Development	675
4.3 Production	-
4.4 Administration	345
Total	2,320

**Exploration and evaluation includes instalment of \$1,000,000 paid in July 2016 in respect of the Company's acquisition of Morning Star Gold NL.*

*** In addition to the cash balance at 30 June 2016, the Company has received, or is due to receive, a further \$2.542 million in subscription monies from investors who participated in the Company's recent capital raisings. Further information regarding the Company's funding position is set out in the accompanying Quarterly Activities Report.*

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	1,176	140
5.2 Deposits at call	115	115
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,291	255

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	NIL			
6.2 Interests in mining tenements and petroleum tenements acquired or increased	MIN 5009 MIN 5560 EL 4320	Held 100% by the Company's 95% held subsidiary Morning Star Gold NL	0% 0% 0%	95% 95% 95%
	MIN 5299	Joint Venture interest of 49% held by the Company's 95% held subsidiary Morning Star Gold NL.	0%	47%

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	1,008,305,022	1,008,305,022		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,174,048 385,024,207 316,628 2,142,657	2,174,048 385,024,207 316,628 2,142,657	0.0127 cents 0.01 cents 0.018 cents 0.014 cents	0.0127 cents 0.01 cents 0.018 cents 0.014 cents

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7.5	*Convertible debt securities (description)	1 Convertible Note (FV=\$185,000)			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	- 100,398,425 125,000,000	- 100,398,425 -	<i>Exercise price</i> \$0.018 \$0.015 \$0.03	<i>Expiry date</i> 30 June 2016 30 Nov 2017 30 Nov 2018
7.8	Issued during quarter	125,000,000 1,000,000	- 1,000,000	\$0.03 \$0.015	30 Nov 2018 30 Nov 2017
7.9	Exercised during quarter	316,628	316,628	\$0.018	30 Jun 2016
7.10	Expired during quarter	61,942,843	61,942,843	\$0.018	30 Jun 2016
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)	1 Convertible Note (FV= \$185,000)			

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 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 July 2016

(Director/Company secretary)

Print name:

Winton Willesee

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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 and petroleum 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 or petroleum 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: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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