



MANTLE UNVEILS PLAN TO RESTART PRODUCTION AT MORNING STAR GOLD MINE

ASX ANNOUNCEMENT

30 MAY 2016

Mantle Mining Corporation Limited (ASX: MNM) is pleased to outline details of its plan to bring the flagship asset, the Morning Star Gold Mine into production. Earlier this month Mantle settled the transaction to acquire a 95% interest in the historical Victorian mine, which was once one of the most prolific gold producers in Australia (Figure 1). The acquisition of Morning Star represents the second part of Mantle's strategy to become Australia's newest gold miner.



Figure 1: Morning Star Gold Mine surface facilities and processing plant.

Plans to recommence production from Mantle's start-up project, the Norton Gold Mine are already well advanced (see ASX announcement 13 May 2016), with mining activities expected to commence later this year.

Mantle Managing Director Mr Ian Kraemer said a detailed plan had been developed for Morning Star to return the mine to a "Ready for Production" status. "The activities at Morning Star, which will occur concurrently, cover geology, mining and mineral processing and will provide us with the most de-risked pathway to bring this outstanding asset back into production. At the same time, strong progress is being made at Norton, which will be the first project into production. This is an exciting time for Mantle, with a clear plan to bring two gold mining operations into production in relatively short succession."

In addition to integration of site systems into Mantle business, the following work activities are underway:

- Geological Interpretation:
 - Data review, new database and new models of the upper level reefs.
 - Donaldsons Reef target review, drill plans, development plans and mining plans.
 - Surface to 10 Level Resource remodel, re-estimation and drill target definition.
 - “Gap Zone” (10 Level to 14 Level) assessment for new exploration targets.
- Underground Mining:
 - Carry out whole-of-mine Risk Management processes and Safety Management Review.
 - Undertake minor rehabilitation of Surface, Shaft and Underground Services.
 - Definition drilling followed by development of Donaldsons Reef.
- Mineral Processing:
 - Define required Metallurgical test work and modify plant operational specifications.
 - Modify plant and re-commission using development material from Donaldsons Reef.

Gold at Morning Star occurs in lodes characterized by visible gold contained in quartz reefs (Pictures 1, 2 & 3).



Picture 1: Visible free gold.



Picture 2: Coarse gold nugget.



Picture 3: Gold Dore bars.

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The above activities are considered to be Aspirational Statements (ASIC Information Sheet INFO 214, 21 April 2016) and Mantle does not yet have reasonable grounds to ensure the milestones can be achieved. However, the Company believes the expectations expressed in such statements are based on reasonable assumptions; these assumptions may change as information is progressively obtained.

Mantle Mining Corporation Limited is an ASX listed emerging gold miner with projects located in Queensland and Victoria (Figures 2 and 3). The Company is undergoing an exciting transformation to become a significant gold producer. It has a dedicated team of experienced in-house and consultant personnel to drive its strategy.

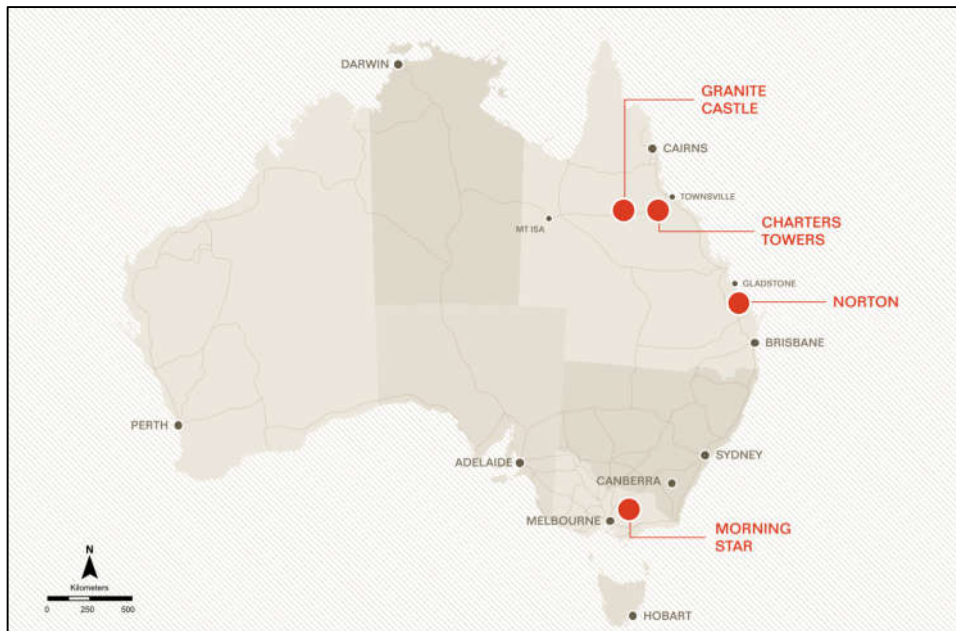


Figure 2: Mantle's gold project locations.

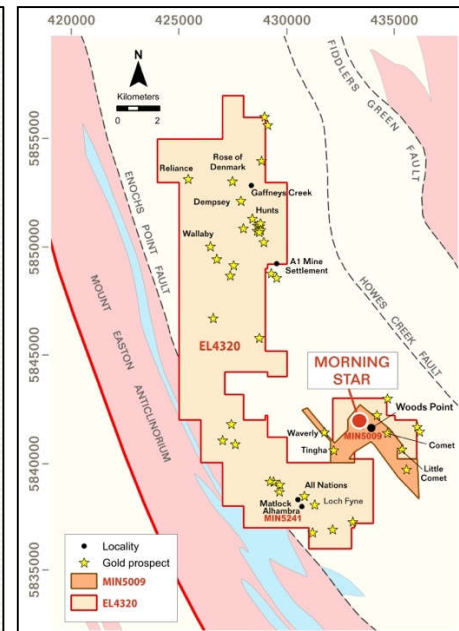


Figure 3: Morning Star tenements.

The acquisition of **Morning Star Gold NL** by Mantle has been completed and funding has been allocated to progress the orderly return to 'Ready for Production' status. The initial development target for production is the Donaldsons Reef (Figures 4 and 5), located at 2 Level, between the Main and Hope Engine Shafts.

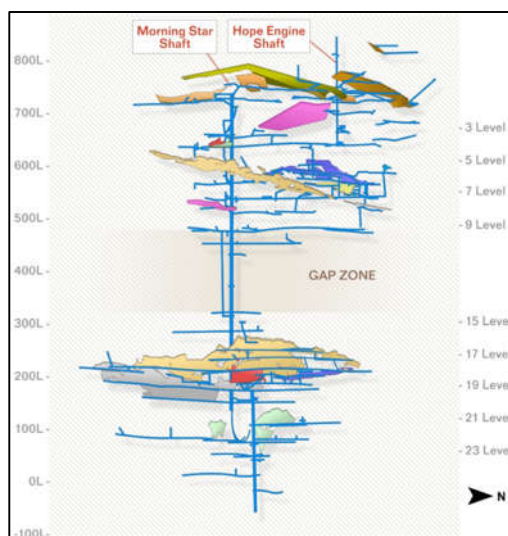


Figure 4: Morning Star Mine.

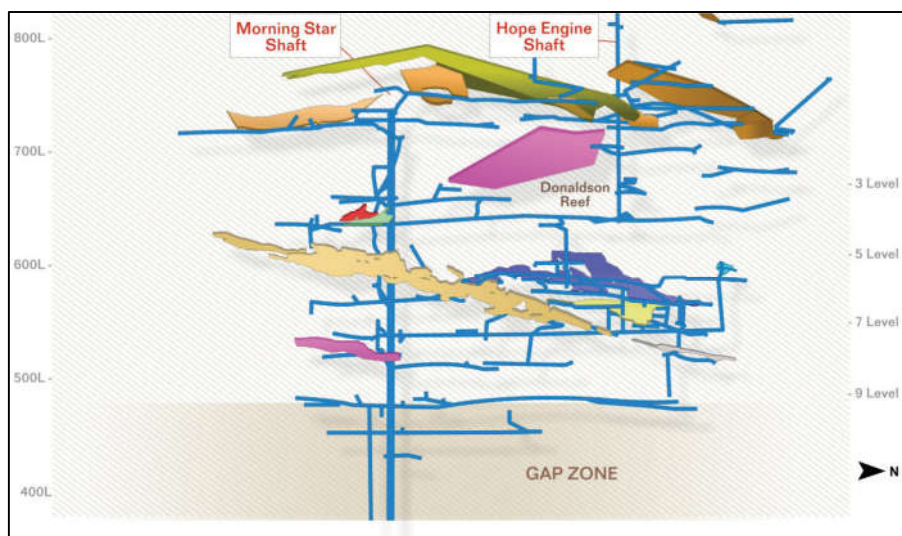


Figure 5: Upper levels showing Donaldsons Reef (magenta).

Mantle notes that VALMIN Code 2015 Edition became effective on 30 January 2016 and becomes mandatory for all public reporting by members of the AusIMM from 1 July 2016. In preparation for future announcements and in application to previously announced schedules and scoping studies for the Norton and Morning Star Projects, Mantle wishes to advise that Mr Ian Kraemer is Mantle's 'Practitioner' as defined in the 2015 edition of the 'Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Mr Kraemer, who is a Fellow of the Australasian Institute of Mining and Metallurgy, has sufficient experience relevant to the reporting of Technical Assessment and Valuation of the Mineral Assets at both the Norton and Morning Star Projects.