



91 Evans Street, Rozelle, NSW 2039 T: +61 2 9810 7816 E: enquiries.mamba@mamba.com.au

ASX ANNOUNCEMENT

30 January 2014

December Quarterly Activities Report

Mamba to merge with Champion Iron Mines of Canada

- Mamba entered into a definitive arrangement agreement to effect a merger with Canadian Iron ore developer Champion Iron Mines
- Champion shareholders to receive 11 Mamba shares for every 15 shares they hold
- Work on the Snelgrove Lake Project focused on identification of the best potential process route for the hematite mineralization
- Mineralogical examination continues on the Snelgrove Lake Project
- Mamba has \$1.83m cash on hand at 31 December 2013

MERGER WITH CHAMPION IRON MINES OF CANADA

On 6 December 2013 Mamba entered into a definitive arrangement agreement to effect a merger with Canadian Iron ore developer Champion Iron Mines (TSX:CHM), whereby Champion shareholders will receive 11 Mamba shares for every 15 shares they hold. The arrangement will also provide for the issuance by Mamba of replacement stock options to holders of outstanding Champion options and warrants on similar terms as adjusted by the 11 to 15 exchange ratio. Subject to shareholder approvals, the existing 32 million performance shares will convert into ordinary shares at a rate of 1 to 10.

Champion's 100% owned major asset, the Consolidated Fire Lake North Project, has a prefeasibility study which was completed in February 2013 for production of 9.3Mtpa of iron ore, with a net present value of C\$3.3 billion and operating costs of C\$44/t.

Mamba will raise \$10 million via a private placement to selected strategic and other investors effective at the completion of the merger. Mamba has negotiated a two year extension to the Snelgrove Lake Project option agreement to September 2017 (conditional on the completion of the Arrangement within 6 months), allowing it more flexibility on its development time table and the ability to focus on the Fire Lake North project in the near term.



The Company is continuing to work through the merger requirements and is in the process of seeking the required shareholder and regulatory approvals. Subject to receipt of these approvals, the merger is expected to be completed by early April 2014.

SNELGROVE LAKE PROJECT

Work on the Snelgrove Lake Project focused on the identification of the best potential process route for the hematite mineralization identified in the CLC area during the previous two diamond drilling programs. Ten NQ core samples covering the spectrum of mineralization styles identified in the area were returned to Australia for polished block production and expert analysis. Mineralogical examination continues.

An independent exploration report detailing all material work carried out on the Snelgrove Project was commissioned by Mamba. This report will present the Snelgrove Project in accordance with National Instrument 43-101 (NI 43-101), the Canadian equivalent to JORC for the public reporting of geological information. The NI 43-101 forms part of the documentation required prior to the completion of the merger process.

CASH POSITION

As at 31 December 2013, the company had \$1.83 million cash in hand. During the December quarter, \$1.69 million was spent on exploration and administration activities. Further detail is provided in the attached Appendix 5B.

For further information, contact:

Niall Lenahan
Director and Company Secretary
+61 2 9810 7816

Barry Knight
Technical Director
+61 409 168 811

The information in this announcement relates to Exploration Results is based on information compiled by Mr Barry Knight, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Barry Knight is a full-time employee of the company. Mr Barry Knight has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Barry Knight consents to inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining 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

Name of entity

Mamba Minerals Ltd

ABN

34 119 770 142

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	14	14
1.2	Payments for (a) exploration & evaluation	(1,145)	(2,172)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(559)	(1,168)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	20
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(1,685)	(3,306)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(87)
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 (Cash received on CIP Magnetite acquisition)	-	211
Net investing cash flows		-	124
1.13	Total operating and investing cash flows (carried forward)	(1,685)	(3,182)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,685)	(3,182)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,237
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 (provide details if material)	-	-
	Net financing cash flows	-	1,237
	Net increase (decrease) in cash held	(1,685)	(1,945)
1.20	Cash at beginning of quarter/year to date	3,347	3,609
1.21	Exchange rate adjustments to item 1.20	172	170
1.22	Cash at end of quarter	1,834	1,834

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	70
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	

Includes payments for office rent, director fees, consulting and administration 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

Mamba Minerals Limited issued 3,300,000 options to Directors and employees on the 29 November 2013 for nil consideration, exercisable at 50 cents per option, with an expiry date of 29 November 2018. The options are dependent on continual service with Mamba, with 50% vesting on 29 November 2016 and 50% vesting on 29 November 2017.

- 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	24
4.2 Development	-
4.3 Production	-
4.4 Administration	979
Total	1,003

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	1,824	3,337
5.2 Deposits at call	10	10
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,834	3,347

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	Mamba Goldfields Pty Ltd and Mamba Minerais Limitada (Mozambique) <i>In liquidation</i>	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

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	70,550,086	70,550,086	-	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues				
(i) Placement	-	-	-	-
(ii) Exercise of options	-	-	-	-
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	17,000,000	-	25 Cents	31/08/2015
	500,000	-	50 Cents	15/12/2015
7.8 Issued during quarter	3,300,000	-	50 Cents	29/11/2018
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Performance Shares	32,000,000	-	Acquisition of option over the Snelgrove Lake Project	Convert to fully paid ordinary shares upon agreed milestones
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 5).

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

Sign here: Niall F. Lenahan Date: 30 January 2014
(Director and Company Secretary)

Print name: Niall Lenahan

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: 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.

=====

+ See chapter 19 for defined terms.