

JUNE 2017 QUARTERLY ACTIVITIES REPORT

Mantle Mining Corporation Limited (ASX: MNM, “Mantle” or “the Company”) provides the following update on its activities for the quarter ended 30 June 2017.

Highlights:

- Commencement of diamond drilling program on the Stacpoole zone at Morning Star following rehabilitation of the Morning Star adit;
- Stacpoole zone drilling has occurred uninterrupted, core has been logged, samples submitted for assay. Drilling has confirmed the presence of a dyke contact which is likely to be the Stacpoole zone and other attractive structural features for gold mineralisation;
- Analysis of the high grade gold Kenny’s Reef identifies priority targets;
- Rose of Denmark joint venture definitional drilling proposal developed and submitted to our JV partner in preparation for commencement;
- Additional \$250k of funds secured via a successful private placement of shares;
- Significant interest received for Company’s non-core assets is being progressed.

Details:

- The Company continued to progress its activities on the Morning Star gold mine, the Company’s highest priority, with completion of rehabilitation of the Morning Star Adit and commencement of Phase 1 of diamond drilling of the Stacpoole zone:
 - The Stacpoole zone has previously been identified as an attractive low-cost potential development opportunity, being situated near surface and close to the existing adit,
 - The drill program was designed to confirm the position, continuity and thickness of the zone,
 - Diamond drilling commenced on 23 May, utilising a specifically modified pneumatic drill rig, with 270 metres drilled to the end of June, representing 10 drill sites,
 - The Stacpoole zone dyke offset is confirmed by diamond drilling,
 - Half the drilling program core was submitted for assaying in July, with the remainder presently being geologically logged prior to assay, and
 - Drilling is continuing.

- **Analysis of the high-grade Kenny's zone was undertaken with studies confirming this zone as a priority target for further underground sampling and development**
 - Kenny's zone is distinguished by the sheer quantity of very high grade gold intercepts, with historical drill results of up to 17,608g/t gold over 0.15m,
 - High grade intercepts occur over a recognisable zone of approximately 150m by 50m, where no mining and little underground sampling has taken place,
 - Kenny's is located at the northern end of the Whitelaw reef, and can be easily accessed from existing development,
 - Mantle's geological studies have confirmed this zone as a priority target for further underground sampling and development as they work toward the reopening of the Morning Star mine, and
 - The zone has been presented in Gramme metre contours to better visualise mining possibilities.

- **Rose of Denmark (JV 49% with Shandong via "Ample Rise Investment Limited")**
 - A works program to define potential high grade gold mineralised blocks has been submitted to existing joint venture partner Shandong for consideration,
 - The Rose of Denmark Mine represents a second potential source of ore to further de-risk the Morning Star Project,
 - Diamond drilling was underway when the former owner went into voluntary administration,
 - Has been redeveloped in 2011 to allow rubber tyred access,
 - Is readily accessible, in close proximity to power and road access for ore transportation, and
 - Has a history of continuous mining, but is not extensively exploited, closing in the 1920's.

- **Acquisition payment schedule for Morning Star Gold NL**
 - The Company met its commitment for this quarter's \$500,000 tranche of the acquisition payment for the Morning Star Gold Project to Chillee, and
 - A further final amount of \$1.0 million remains due for payment on 31 August 2017.

- **Private placement of shares**
 - To supplement the capital raising undertaken in the March quarter from which \$1.35 million was raised, the Company expanded the offer and secured an additional \$300,000 on similar terms (*refer Corporate Update released to ASX on 29 March 2017 for details of placement terms*). Securities associated with this placement were issued on 29 June 2017.

- **Non-core asset rationalisation**

- The Company has received significant interest in its non-core projects including Norton, Granite Castle and Charters Towers. Negotiations continue towards realisation of value from these assets enabling operational focus to remain on the Morning Star project,
- Mature discussions are underway in relation to divestment of the Lionsville asset in New South Wales, and
- Activity levels across all these assets has been minimal, whilst sufficient to maintain the tenements in good standing.

Morning Star Gold Mine Development:

Rehabilitation of the Morning Star adit progressed well and was achieved in less time and under budget cost. This allowed diamond drilling to start earlier than predicted.

Diamond drilling averaged 10.4 metres drilled per day and was constrained due to the tight confines of the adit, which caused short rod pulls for core recovery. Logging of the core has been undertaken and some core has been submitted for assay, with further assays pending.

The Diamond drilling to date has confirmed:

- The Stacpoole zone is continuous,
- The Stacpoole zone is deeper than initially modelled by less than 10 metres, and
- The Dyke overlying sediment offset geometry is evidenced in the diamond drilling and traditionally leads to narrow but high grade zones at the Morning Star Mine

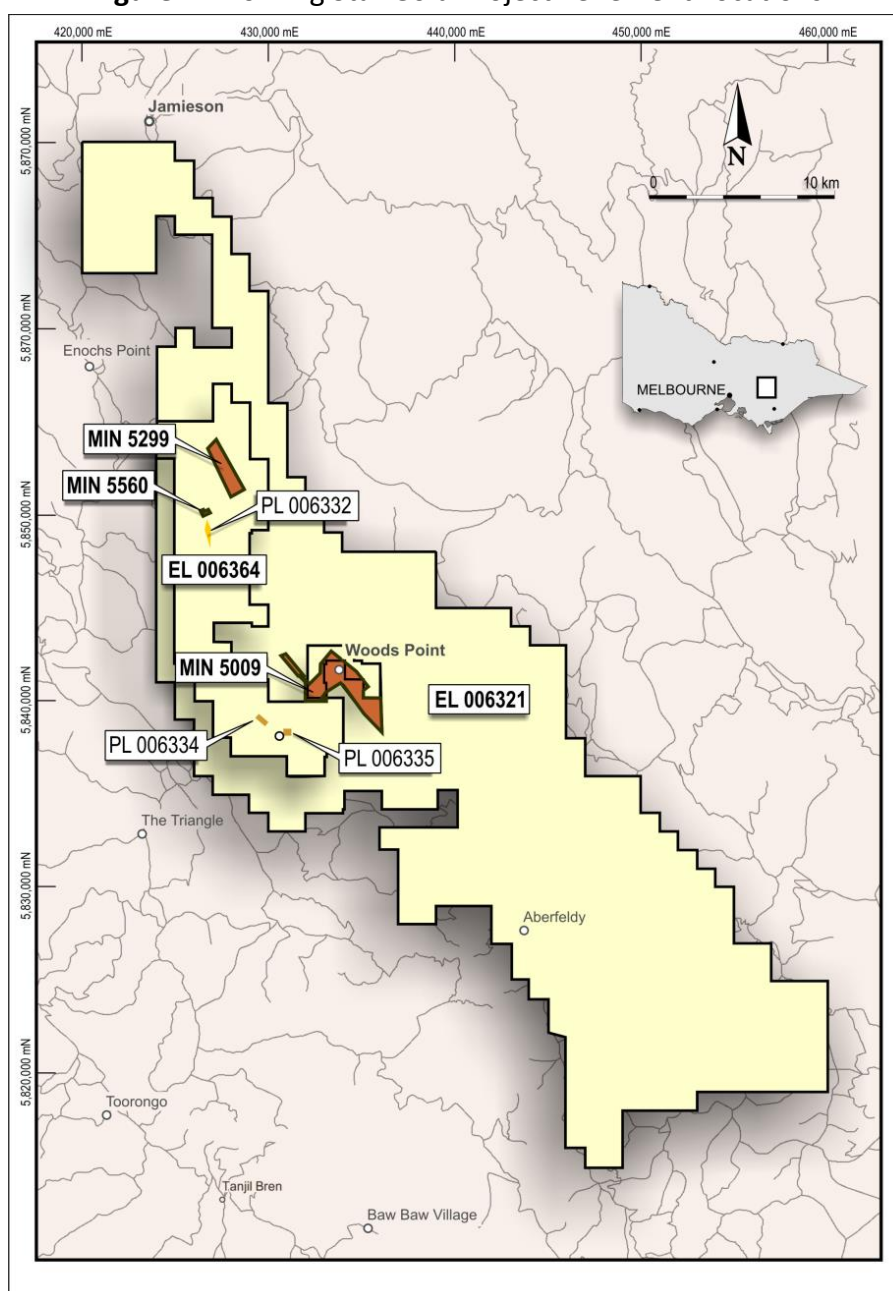
A detailed interpretation of the Stacpoole drilling will be forthcoming shortly following geological review combining all diamond drilling and geological data.

Interpretation of the diamond drill core logs is being undertaken and a new Stacpoole zone model will be developed, but due to the additional depth of the Stacpoole zone drilling will continue further South and closer to the adit entrance, following the dyke offset.

Planning and discussions will also continue regarding additional work at Rose of Denmark, in cooperation with the Joint Venture partner. Mantle is undertaking a data review, similar to the successful review at Morning Star. As Rose of Denmark is readily accessible, Mantle will begin a geological mapping and channel sampling program that is a prelude to diamond drilling, to ascertain up and down dip extensions of ore blocks.

Mantle's CEO, Tom De Vries, commented, "The confirmation of the dyke over sediment environment in the Stacpoole zone is very exciting and extremely positive. It is in this environment and immediately in the dyke area next to the dyke over sediment environment that the better reefs yielded their gold. In addition, Stacpoole reef being deeper than expected, gives it room to be closer to the adit entrance before being cut-off by the Age of Progress reef. Both are very positive structural features".

Figure 1: Morning Star Gold Project Tenement Locations



Cash Position & Use of Funds.

As at 30 June 2017, the Group had a cash balance of \$374,000 as outlined in this quarter's Appendix 5B.

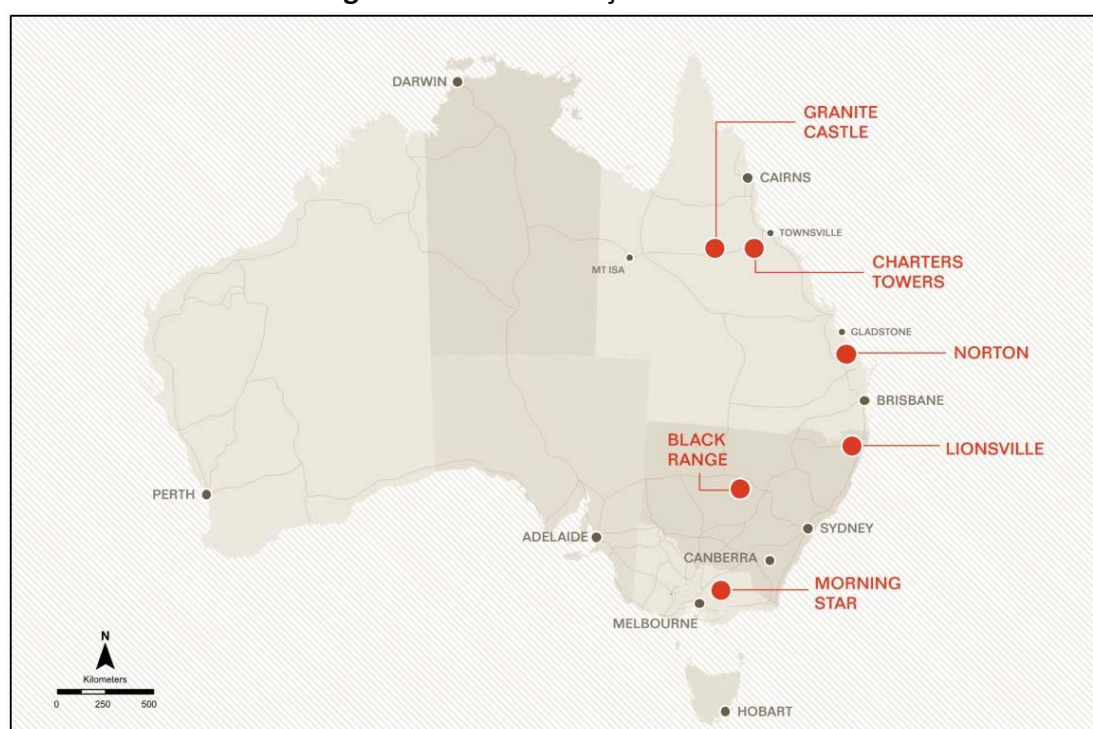
The cash balance was supplemented during the quarter by \$1.070 million being proceeds from recent capital raising activities in the form of private placements. This included an additional \$300,000 contributed in May by key shareholders on similar terms to the March placement.

In addition to the cash balance at 30 June 2017, the Company has received, or is due to receive, a further \$400,000 in subscription monies from investors who participated in the Company's recent capital raisings.

Expenditure has been and continues to be focused on exploration of the Stacpoole zone, with limited expenditure to date at Rose of Denmark. The Company continues to monitor and minimise administrative expenditure to ensure maximisation of expenditure on value adding activities.

Mantle's Projects and Tenements:

Figure 2: Mantle's Project Locations.



Competent Persons Statement:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Richard Valenta, Executive Director of Mantle Mining Corporation Ltd. Dr Valenta is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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”. Dr Valenta consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Exploration results on page 1

The exploration results shown for Kenny’s zone were previously released to the market in a presentation on 28 November 2016. The Company confirms that it is not aware of any new information or data that materially effects the information included in this announcement.

Contains Forward Looking Statements

This presentation includes statements deemed to be “forward-looking”. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ. The Company, its directors, officers, agents, employees or advisors, do not represent, warrant or guarantee that the information in this presentation is complete or accurate.

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Table 1: Mantle's Tenement Schedule.

Tenement	Project	Name	Grant Date	Expiry Date	Area	Interest %
MIN 5009 ²	Morning Star	Morning Star	21/09/1990	Renewal	657 Ha	95
MIN 5299 ³	Morning Star	Rose of Denmark	10/11/1981	Renewal	211 Ha	47
MIN 5560 ²	Morning Star	Wallaby	17/12/2013	16/12/2018	10 Ha	95
EL 6364	Woods Point	Morning Star Sth.	Application	N/A	101 km ²	95
EL 006321	Woods Point	Morning Star Nth	Application	N/A	566 km ²	95
PL 6332 ⁴	Woods Point	Eldorado	Application	N/A	5 (Ha)	95
PL 6334 ⁴	Woods Point	Alhumbra	Application	N/A	5 (ha)	95
PL 6335 ⁴	Woods Point	All Nations	Application	N/A	5 (Ha)	95
ML 80035 ¹	Norton	Norton	04/04/1996	30/04/2017	22.22 Ha	90
EPM 14388	Charters Towers	Charters Towers	24/02/2005	23/02/2020	7 sub blocks	100
EPM 14179	Granite Castle	Range Creek	25/11/2004	25/11/2007	6 sub blocks	100
EPM 15527	Granite Castle	Oakey Creek	30/11/2007	29/11/2019	25 sub blocks	100
MDL 2005	Granite Castle	Range Creek	15/03/2017	30/03/2022	1931 Ha	100
EL 6074	Lionsville	Lionsville	06/05/2003	Renewal	4 units	100

¹. Norton is 10% held by Avanti Mining Contracting Pty Ltd.

² Morning Star is 100% owned by Morning Star Gold NL. in turn held 95% by Mantle Mining Corporation Limited.

³. MIN 5299 is a joint Venture where Morning Star Gold NL holds 49%.

⁴. PL are prospecting licences placed to protect the EL during the application transition.

Mantle's Mineral Resources:

Table 2: Morning Star Mineral Resource (95% held by Mantle).

For information on the existing resource, please refer to the report entitled "910,000 Ounces Gold JORC Resource" created on 30 July 2008, which is available to view at www.asx.com.au under ASX code MCO.

Table 3: Norton Mineral Resource (90% held by Mantle).

Class	Tonnes	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)
Indicated	107,000	6.2	21,100	15	50,300
Inferred	141,000	3.9	17,700	12	52,600
Total	248,000	4.9	38,800	13	103,000

The information in Table 3 is extracted from the report entitled "Norton Gold Mine Resource Estimate" created on 15 May 2015 and is available to view on www.mantlemining.com

Table 4: Granite Castle Mineral Resource.

Class	Tonnes	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)
Measured	111,000	4.3	15,500	58	205,800
Indicated	250,000	3.6	28,800	71	567,900
Inferred	403,000	2.5	32,900	56	727,200
Total	765,000	3.1	77,200	61	1,500,900

The information in Table 4 is extracted from the report entitled "Improved Confidence Levels for Granite Castle Resource" created on 28 May 2008 and is available to view on www.mantlemining.com

Table 5: Charters Towers Mineral Resource.

Class	Tonnes	Au (g/t)	Au (oz)		
Inferred	1,535,000	2.2	109,000		
Total	1,535,000	2.2	109,000		

The information in Table 5 is extracted from the report entitled "Disclosure Document" created on 2 October 2006 and is available to view on www.mantlemining.com

In relation to Tables 3 through 5, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.