



MANTLE TO RAISE \$16 MILLION VIA SCHEME OF ARRANGEMENT

ASX ANNOUNCEMENT

21st JANUARY 2016

Mantle Mining Corporation Limited (ASX: MNM) is pleased to announce an agreement to merge with International Base Metals Limited (IBML) via a Scheme of Arrangement. IBML is in a strong financial position with approximately \$16.5 million in cash and a suite of complementary resource assets.

The combination of Mantle and IBML brings together a strong Corporate and Project Management team, a suite of advanced exploration and mining development projects, and a powerful cash funding position considered more than sufficient to bring Mantle's key gold projects into early production.

Both parties are extremely confident the proposed Scheme will be mutually beneficial as IBML brings the necessary funds to assist in the development of Mantle's gold projects including in particular the Norton and Morning Star Gold mines, accelerate the pre-development of Mantle's other advanced gold exploration projects, and also enable the review and acquisition of other synergistic projects.

Highlights:

- IBML is an unlisted Australian mineral exploration and development company, with a significant cash resource along with a suite of resource assets including its primary focus on copper in Namibia. Detailed information on IBML can be found at their website (www.interbasemetals.com):
- Mantle and IBML have executed a non binding Heads of Agreement (HoA) covering the main commercial terms of the 'merger of equals' to be included in a more detailed Merger Implementation Agreement (MIA):
 - Following the issue of all MNM shares in relation to tranche two of the recently announced capital raising, and a 12:1 consolidation of Mantle shares (Resulting in 65,264,330 MNM Shares being on issue assuming no option or convertible note conversions), IBML shareholders to be offered 79,767,714 consideration MNM shares and 30,000,000 consideration MNM options (3c, November 2018) on a pro-rata basis.
 - The current 3 person Board of Mantle increasing to 6 by addition of 3 nominees from IBML.
 - The current MNM management team will remain in place.
- Other than those normal to such a transaction, the main conditions precedent to the Scheme are:
 - That Mantle successfully acquires the rights to acquire a 95% interest in Morning Star Gold NL, and
 - That the previously announced Agreements with China Success do not proceed

Mantle wishes to note that during the detailed evaluations and negotiations with China Success on the Marketing and Sales arrangements for the Norton Gold Mine more beneficial offtake opportunities have come to our attention.

Managing Director of Mantle, Ian Kraemer, said “Late last year when it became obvious to the market that Mantle was moving strongly into a new and more substantial phase of its development into a gold production company, a number of substantial investors requested to undertake due diligence on our company. IBML emerged as a strong and willing potential partner and following the definition of obviously aligned strengths (people, projects and cash) the two parties agreed to merge.”

IBML’s Chairman, Hugh Thomas, added “IBML has been seeking a home for its strong cash position for a number of years. After an exhaustive search Mantle became a natural choice meeting all IBML’s criteria for investment. We are extremely confident that the team at Mantle can apply our strong cash position to their advanced portfolio of gold mine development opportunities to deliver profitable outcomes for the merged entity and its extended stakeholder group.”

Further details and a Timetable for the Scheme of Arrangement will be released as soon as possible

For further information please contact:

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