

NEWS RELEASE

December 24, 2009

MANTRA COMPLETES C\$52 MILLION SHARE OFFERING

THIS PRESS RELEASE IS NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. NEWS AGENCIES

PERTH, Western Australia: Mantra Resources Limited (“Mantra” or “Company”) (ASX:MRU, TSX:MRL) is pleased to announce that it has successfully completed its previously announced share offering of 13,000,000 ordinary shares at an issue price of C\$4.00 per ordinary share for gross proceeds of C\$52 million (the “**Offering**”).

The Offering was marketed by a syndicate of agents led by Haywood Securities Inc. and GMP Securities L.P., and including Dundee Securities Corp.

In addition to the Offering, the previously announced private placement of an additional 3,800,000 ordinary shares to Highland Park S.A. and AngloPacific Group Plc at an issue price of C\$4.00 per ordinary share for gross proceeds to the Company of C\$15.2 million (the “**Private Placement**”) is expected to be completed in February 2010. The Private Placement is to be completed on a deferred settlement basis, pending regulatory and shareholder approval.

The net proceeds of the Offering will be used to complete feasibility studies on the Company’s Mkuju River Project (“**MRP**”) in southern Tanzania and for the ongoing appraisal and development of the MRP to enable the Company to become a significant uranium producer in the near term.

This news release is not an offer of securities for sale in the United States. The securities described above have not been and will not be registered under the U.S. Securities Act of 1933, and may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, or an applicable exemption from the registration requirements thereof.

ABOUT MANTRA RESOURCES LIMITED

Mantra is a dynamic and emerging uranium company with a portfolio of quality projects in southern Tanzania. The Company is dual listed on the Australian Securities Exchange (“**ASX**”) under the code 'MRU' and the Toronto Stock Exchange (“**TSX**”) under the code 'MRL'. Mantra was recently added to the S&P/ASX 300 index. Mantra is focused on aggressively pursuing the potential development and ongoing exploration of the MRP in Tanzania in order to fulfil its strategic objective of becoming a significant uranium producer in the near-term.

For additional information, please contact:

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Joint Managing Director
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Joint Managing Director
Telephone: +61 8 9322 6322

This news release contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to proposed financings, the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

For further information regarding the Mkuju River Project, including a description of Mantra's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the Mkuju River Project please refer to the technical reports prepared in accordance with NI 43-101 entitled "December, 2009 Resource Update – Mkuju River Project" dated 7 December 2009 and "Technical Report on the Mkuju River Project located in Tanzania, Africa" dated 18 September 2009, which are available under the Company's profile at sedar.com.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Mantra Resources Limited

ABN

26 116 478 703

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 13,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>CAD\$4.00</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds raised will be used to complete feasibility studies on the Company's Mkuju River Project ("MRP") in southern Tanzania, for the ongoing appraisal and development of the MRP, and to provide general working capital.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>24 December 2009</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1478 989 1545">Number</th> <th data-bbox="989 1478 1281 1545">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1545 989 1733" style="text-align: center; vertical-align: top;"> <p>122,304,994</p> </td> <td data-bbox="989 1545 1281 1733" style="text-align: center; vertical-align: top;"> <p>Ordinary shares</p> </td> </tr> </tbody> </table>	Number	+Class	<p>122,304,994</p>	<p>Ordinary shares</p>
	Number	+Class			
<p>122,304,994</p>	<p>Ordinary shares</p>				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	650,000	Unlisted Options exercisable at \$0.35 each and expiring 30 June 2010
	150,000	Unlisted Options exercisable at \$0.90 each on or before 31 December 2009
	350,000	Unlisted Options exercisable at \$1.20 each on or before 31 December 2010
	2,050,000	Unlisted Options exercisable at \$1.65 each on or before 31 December 2010
	6,000,000	Unlisted Options exercisable at \$2.20 each on or before 30 June 2011
	3,300,000	Unlisted options exercisable at \$2.50 each on or before 30 June 2010
	800,000	Unlisted options exercisable at \$3.00 each on or before 31 December 2010
	500,000	Unlisted options exercisable at \$3.50 each on or before 30 June 2011

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Not applicable

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required? Not applicable

12 Is the issue renounceable or non-renounceable? Not applicable

13 Ratio in which the +securities will be offered Not applicable

14 +Class of +securities to which the offer relates Not applicable

15 +Record date to determine entitlements Not applicable

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable

+ See chapter 19 for defined terms.

28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not applicable

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable
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41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable
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		Number	+Class
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Not applicable	Not applicable

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

(Company secretary)

Date: 24 December 2009

Print name: Luke Watson

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+ See chapter 19 for defined terms.

Notice under Section 708A

24 December 2009

Mantra Resources Limited (“**Company**”) has issued 13,000,000 fully paid ordinary shares.

The issued securities are part of classes of securities quoted on Australian Securities Exchange Limited.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The shares were issued without disclosure to investors under Part 6D.2, in reliance on Sections 708 and 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws. Accordingly, the securities offered hereby may not be offered or sold in the United States unless an exemption from such registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Mantra Resources Limited at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia 6000 (telephone: +61 8 9322 6322) and are also available electronically at www.sedar.com.

NEW ISSUE

SHORT FORM PROSPECTUS

December 16, 2009



Cdn\$4.00
13,000,000 Ordinary Shares

Mantra Resources Limited ("**Mantra**" or the "**Corporation**") hereby qualifies for distribution in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador an aggregate of 13,000,000 ordinary shares (the "**Ordinary Shares**") in the capital of the Corporation (the "**Offering**") at an offering price of Cdn\$4.00 per Ordinary Share (the "**Offering Price**"). The Ordinary Shares will be issued pursuant to an agency agreement (the "**Agency Agreement**") dated as of December 16, 2009 between the Corporation and Haywood Securities Inc., GMP Securities L.P. and Dundee Securities Corporation (together, the "**Agents**"). The Offering Price was determined by negotiation between the Corporation and the Agents. See "Plan of Distribution".

The outstanding ordinary shares ("**Shares**") of the Corporation are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "MRL" and the Australian Securities Exchange (the "**ASX**") under the symbol "MRU". On December 14, 2009, the last trading day on the TSX prior to the filing of this prospectus, the closing price of the Shares on the TSX was Cdn\$4.45. On December 16, 2009, the last trading day on the ASX prior to the filing of this prospectus, the closing price of the Shares on the ASX was A\$4.30.

Price: Cdn\$4.00 per Ordinary Share

	Price to Public	Agents' Fee⁽¹⁾	Net Proceeds to the Corporation⁽²⁾
Per Ordinary Share	Cdn\$4.00	Cdn\$0.20	Cdn\$3.80
Total.....	Cdn\$52,000,000	Cdn\$2,600,000	Cdn\$49,400,000

Notes:

- ⁽¹⁾ Pursuant to the terms and conditions of the Agency Agreement, the Corporation has agreed to pay a cash commission to the Agents equal to 5% of the gross proceeds of the Offering (the "**Agents' Fee**").
- ⁽²⁾ After deducting the aggregate Agents' Fee, but before deducting the other expenses of the Offering, estimated to be Cdn\$400,000 which will be paid by the Corporation.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than in respect of the Ordinary Shares sold to purchasers in the United

States, which will be represented by individual certificates, and other than pursuant to certain exceptions, one or more book entry-only certificates representing the balance of the Ordinary Shares will be issued in registered form to the CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and deposited with CDS on the Closing Date, which is expected to take place on or before December 23, 2009, or such other date as may be agreed upon by the Corporation and the Agents. A purchaser of Ordinary Shares (other than a purchaser of Ordinary Shares in the United States) will receive only a customer confirmation from the registered dealer through which the Ordinary Shares are purchased. During the distribution of the Offering, the Agents may effect transactions in the Shares in accordance with applicable market stabilization rules. (See “Plan of Distribution”).

The Agents conditionally offer the Ordinary Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”, subject to the approval of certain legal matters on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Agents by Miller Thomson LLP.

The TSX has conditionally approved the listing of the Ordinary Shares. Listing on the TSX is subject to the Corporation fulfilling all of the requirements of the TSX on or before March 8, 2010. The Corporation has also applied to list the securities distributed under this prospectus on the ASX. Listing on the ASX will be subject to the Corporation fulfilling all the listing requirements of the ASX.

The Corporation’s head and registered office is located at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia 6000, telephone +61 8 9322 6322.

Certain of the directors and officers of the Corporation and certain of the experts named in this prospectus reside outside of Canada. Certain of the assets of these persons and the Corporation may be located outside Canada. The Corporation is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and resides outside of Canada. Although the Corporation has appointed Blake, Cassels & Graydon LLP, Suite 2600, Three Bentall Centre, 595 Burrard Street, PO Box 49314, Vancouver, BC V7X 1L3, Canada as its agent for service of process in Canada, it may not be possible for investors to effect service of process within Canada upon the directors, officers and experts referred to above. It may also not be possible for investors to collect from the Corporation or to enforce against the Corporation, its directors and officers and certain of the experts named in this prospectus judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

An investment in the Ordinary Shares is highly speculative and involves significant risks that should be carefully considered by prospective investors. The risks outlined in this short form prospectus and in the documents incorporated herein by reference should be carefully reviewed and considered by prospective investors. See “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements”.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Miller Thomson LLP, counsel to the Agents, provided the Ordinary Shares qualified hereby are listed on a designated stock exchange (which currently includes the TSX and the ASX), the Ordinary Shares, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“**TFSA**s”), as defined in the Tax Act.

Notwithstanding the foregoing, a holder of Ordinary Shares will be subject to a penalty tax if the Ordinary Shares are held in a TFSA and are a “prohibited investment” for a TFSA under the Tax Act. However, the Ordinary Shares will not be prohibited investments for a TFSA held by a particular holder provided the holder deals at arm’s length with the Corporation for the purposes of the Tax Act, and does not have a “significant interest” (as defined in the Tax Act) in either the Corporation or a person or partnership that does not deal at arm’s length with the Corporation for purposes of the Tax Act. Holders should consult their own tax advisors as to whether the Ordinary Shares will be a prohibited investment in their particular circumstances.

On October 16, 2009, the Minister of Finance (Canada) (the “**Minister**”) proposed amendments to the Tax Act that will impact TFSA’s (the “**TFSA Proposals**”). While the Minister has not yet introduced legislation in this regard, the TFSA Proposals include a prohibition on asset transfer transactions between TFSA’s and other accounts, and proposals to address concerns regarding deliberate overcontributions. The TFSA Proposals apply to transactions that occur after October 16, 2009. **Holders should consult their own tax advisors regarding the application of the TFSA Proposals in their particular circumstances.**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference contain “forward looking statements” concerning anticipated developments and events that may occur in the future. Forward looking statements include, but are not limited to, statements with respect to the future price of uranium, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, without limitation, inherent uncertainties and risks associated with mineral exploration; uncertainties related to the availability of future financing necessary to undertake activities on Mantra’s properties; uncertainties related to certain of Mantra’s properties being within game and forest reserves; political and country risk; uncertainties associated with the legal systems in Tanzania and Mozambique; risks associated with Mantra having no history of earnings or production revenue; uncertainties related to the possible recalculation of, or reduction in, the Corporation’s mineral reserves and resources; uncertainties related to the outcome of studies to be undertaken by Mantra; uncertainties relating to fluctuations in uranium price; the risk that Mantra’s title to its properties could be challenged; risks related to Mantra’s ability to attract and retain qualified personnel; uncertainties related to general economic conditions; uncertainties related to the current global financial conditions; risks related to forward contracts Mantra may enter into for the delivery of uranium; uncertainties related to the requirement for ministerial approval for a change of control of Mantra; risks related to the integration of businesses and assets acquired by Mantra; uncertainties related to the competitiveness of the mineral resource industry; risks associated with Mantra being subject to government regulation, including changes in regulation; risks associated with Mantra being subject to environmental laws and regulations, including a change in regulation; risks associated with Mantra’s need for governmental licenses, permits and approvals; uninsured risks and hazards; risks associated with fluctuations in foreign exchange rates; risks related to default by joint venture parties, contractors and agents; inherent risks associated with litigation; risks associated with potential conflicts of interest; risks related to effecting service of process on directors resident in foreign countries; uncertainties related to Mantra’s limited operating history; risks related to Mantra’s lack of a dividend history; risks relating to short term investments; and uncertainties related to fluctuations in Mantra’s share price. Although the Corporation has attempted to identify important factors that could cause

actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. These forward looking statements are made as of the date of this prospectus and, other than as required by applicable securities laws, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

GENERAL MATTERS

The consolidated financial statements of the Corporation incorporated by reference in this short form prospectus are reported in Australian dollars and have been prepared in accordance with International Financial Reporting Standards.

The address of Mantra’s website is www.mantraresources.com.au. Information contained on Mantra’s website is not part of this short form prospectus nor is it incorporated by reference herein. Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. Mantra has not authorized any person to provide different information.

The Ordinary Shares being offered for sale under this short form prospectus may only be sold in those jurisdictions in which offers and sales of the Ordinary Shares are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Ordinary Shares in any jurisdiction where it is unlawful. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or of any sale of the Ordinary Shares.

CURRENCY & EXCHANGE RATE INFORMATION

The Corporation reports in Australian dollars. Unless otherwise indicated, all references to “\$” or “dollars” in this short form prospectus refer to Canadian dollars. References to “A\$” in this short form prospectus refer to Australian dollars. The following table sets forth, for each of the years indicated, the year end exchange rate, the average closing rate and the high and low closing exchange rates of one Canadian dollar in exchange for one Australian dollar as quoted by the Bank of Canada.

	Year Ended June 30,		
	2007	2008	2009
High.....	\$1.3291	\$1.1920	\$1.2145
Low	\$1.0181	\$1.0223	\$1.0555
Average	\$1.1593	\$1.1045	\$1.1233
Year End	\$1.0680	\$1.0267	\$1.1075

The exchange rate on December 15, 2009 as reported by the Bank of Canada for the conversion of Canadian dollars into Australian dollars was Cdn\$1.00 equals A\$1.0387 (the “Exchange Rate”).

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of documents incorporated herein by reference may be obtained upon request without charge from the Corporation at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia 6000, telephone: +61 8 9322 6322, and are also available electronically on the SEDAR website at www.sedar.com.

The following documents, filed with the securities regulatory authorities in the jurisdictions in Canada in which the Corporation is a reporting issuer, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the annual information form (the “**Annual Information Form**”) of the Corporation for the fiscal year ended June 30, 2009 dated November 16, 2009;
- (b) the material change report filed December 7, 2009 regarding an update to the Corporation’s resource estimate for the Mkuju River Project;
- (c) the material change report filed December 7, 2009 regarding the listing of the Shares on the TSX;

- (d) the audited comparative consolidated financial statements of the Corporation as at June 30, 2009 and 2008 together with the Auditor's Report and notes thereto;
- (e) the management's discussion and analysis of the Corporation for the financial years ended June 30, 2009 and 2008;
- (f) the unaudited consolidated financial statements of the Corporation for the three months ended September 30, 2009 and 2008 together with the notes thereto; and
- (g) the management's discussion and analysis of the Corporation for the three months ended September 30, 2009 and 2008.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this short form prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this short form prospectus.

Any document of the type required to be incorporated into the short form prospectus by item 11.1 of Form 44-101F1 – *Short Form Prospectus* (excluding confidential material change reports and excluding those portions of documents that are not required pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference herein) filed by the Corporation after the date of this short form prospectus and before the termination of the distribution is deemed to be incorporated by reference in this short form prospectus. Copies of the documents incorporated by reference may be obtained without charge from the secretary of the Corporation at the above-mentioned address and telephone number and are also available electronically at www.sedar.com. Information on the Corporation's website does not constitute part of this short form prospectus.

THE CORPORATION

The Corporation is an Australia based uranium corporation with a portfolio of exploration projects in southern Africa. The Corporation's principal asset is the wholly owned Mkuju River Project (the "**Project**") located in southern Tanzania. The Corporation also controls additional tenements in Tanzania and Mozambique which are considered prospective for uranium.

Mantra is focused on pursuing the ongoing exploration, appraisal and potential development of the Project, in order to fulfil its strategic objective of becoming a uranium producer. The key objective of the Corporation is to increase shareholder value through the discovery, acquisition and development of high quality mineral assets.

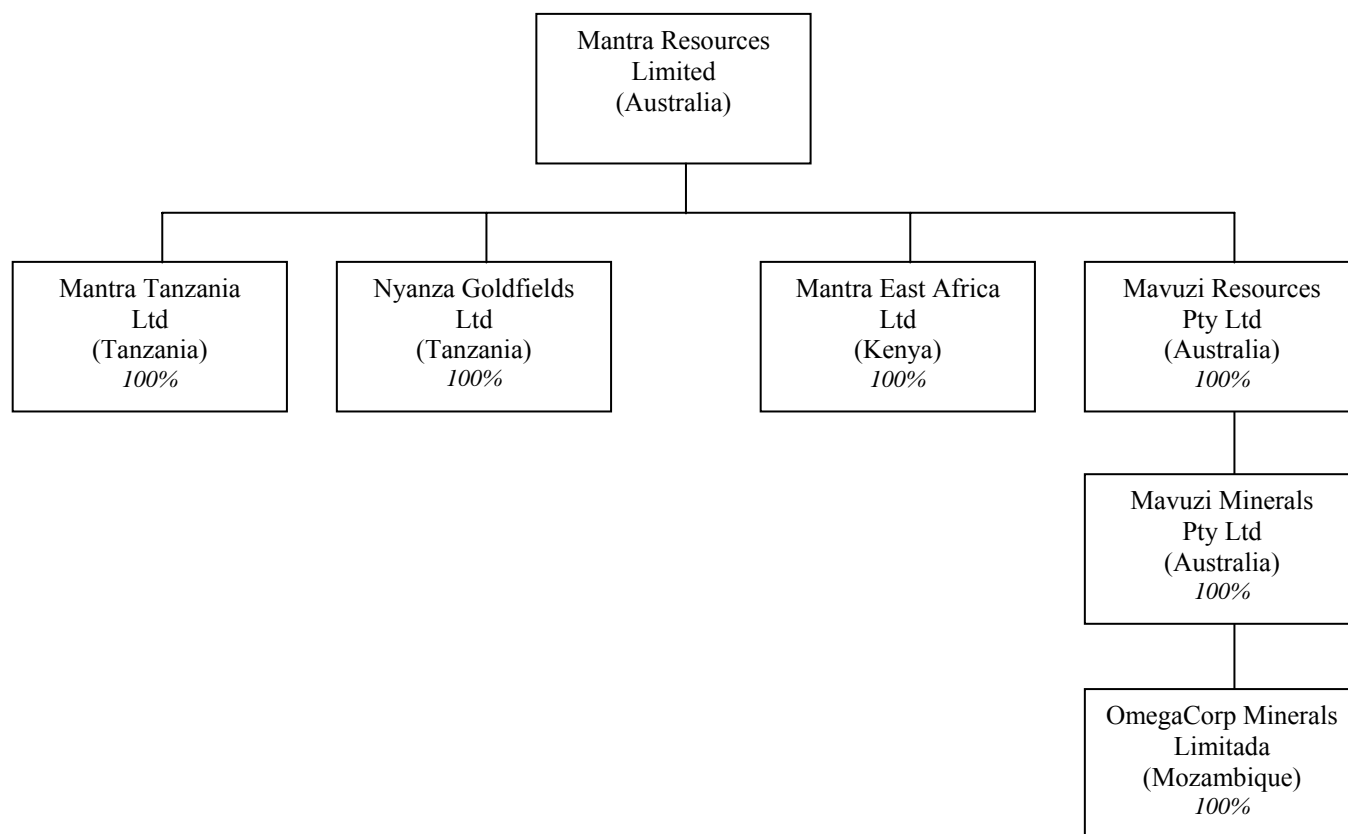
The Corporation was incorporated on September 30, 2005 under the Australian *Corporations Act 2001*. The Corporation completed an initial public offering in Australia on September 27, 2006 and its Shares commenced trading on the ASX under the symbol "MRU" on October 9, 2006. The Corporation's Shares commenced trading on the TSX under the symbol "MRL" on November 18, 2009.

The Corporation's share capital consists of an unlimited number of Shares without par value, of which 109,304,994 Shares are issued and outstanding and an aggregate of 13,800,000 unlisted options are outstanding as of December 16, 2009.

The Corporation's registered and head office is located at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia 6000, telephone: +61 8 9322 6322; facsimile: +61 8 9322 6558; email: info@mantraresources.com.au; website: www.mantraresources.com.au.

Intercorporate Relationships

The following chart describes the inter-corporate relationships amongst the Corporation and the Corporation's subsidiaries. The percentage of ownership is listed for each entity.



RECENT DEVELOPMENTS

Mkuju River Project Technical Report

Unless stated otherwise, the information in this section is based on the technical report entitled “NI 43-101 Technical Report December, 2009 Resource Update, Mkuju River Project, located in Tanzania, Africa” (the “**Technical Report**”), which is compliant with National Instrument 43-101 – “Standards of Disclosure for Mineral Projects” (“**NI 43-101**”). The Technical Report is dated December 7, 2009 and was prepared by Mr. Malcolm Titley of CSA Global Pty. Ltd. (“**CSA**”), an independent “qualified person” as defined in NI 43-101. The information regarding the Project in this section has been extracted from the Technical Report. For a complete description of assumptions, qualifications and procedures associated with the information in the Technical Report, reference should be made to the full text of the Technical Report, which is available for review on SEDAR at www.sedar.com.

Exploration

To date, Mantra’s exploration program has included airborne radiometric and magnetic surveys, geological mapping, ground radiometrics, sampling, trenching, and extensive reverse circulation (“**RC**”), air core (“**AC**”), open hole (“**OH**”) and diamond (“**DD**”) drilling.

Drilling undertaken by Mantra has confirmed the presence of multiple stacked mineralized horizons of variable thickness at shallow depths. Mineralization is also observed at surface in outcrop and trenches.

Mapping and geophysical surveys of the Nyota Prospect area indicate a series of NNE and NW oriented, sub-vertical normal faults. A series of additional E-W fault zones, which are interpreted as horst structures, have been interpreted in N-S cross sections. The faulting has a strong control on both the distribution of mineralization and the incised topography observed within the area, and hence the distribution of the surface exposures of the sub-horizontal zones of mineralization.

Drilling

The Technical Report is an update to the technical report entitled “NI 43-101 Technical Report on the Mkuju River Project located in Tanzania, Africa” prepared by Mr. Malcolm Titley of CSA and dated September 18, 2009 (the “September 2009 Technical Report”). The Technical Report incorporates additional infill and extension drilling that covers part of the total area of the Nyota Prospect, specifically Areas A, C and D. Drilling at Areas A, C and D of the Nyota Prospect consists of 743 holes, for a total of 49,475m of which 444 holes were drilled in 2009, for a total of 25,995m. The drilling consists of 395 holes using AC, 190 using OH, 62 using RC, 69 using DD core and 27 using hand auger.

Infill drilling during 2009 was designed to close the current drill spacing over Areas A, C and D to approximately 50m centres, in order to better establish geological and grade continuity and increase the category of the resource. Extension drilling was also undertaken with a view to test for potential extensions to the existing resource areas.

Sampling and Analysis

Samples collected at the drill or trench site were transported back to the sample yard at the Project camp site. Samples were weighed, with any wet samples first being dried by placing the sample on flat poly-weave sheets in the sun. Once dried the samples were re-bagged then underwent a second pass of scintillometer readings. Samples were split into 1 - 2kg samples. Quality assurance and quality control (“QAQC”) field duplicates were prepared by Mantra on site, other QAQC samples were inserted into the sample stream at the sample yard and/or at the sample preparation facility at ALS Chemex Laboratories (“ALSC”) in Mwanza, Tanzania at a rate of 1:20 sample being a certified reference material, 1:40 being a blank sample and 1:40 being a field duplicate. Samples were bagged into batches and inserted into sealed and locked metal drums for transport to the laboratory for sample preparation.

Following an assay QAQC review in 2009 the primary laboratory used to analyze samples over the resource area was changed from ALSC in Perth to Ultratrace Analytical Laboratories (“Ultratrace”) in Perth.

During 2009, samples for chemical assay were sent to ALSC in Mwanza for sample preparation. The sample pulps were then dispatched to Ultratrace in Perth for uranium analysis via the fused disk XRF analysis method, to a 5 ppm detection limit. Ultratrace abides by stringent QAQC procedures as well as taking part in inter-lab and round robin testing. Ultratrace currently holds ISO 17025 accreditation.

Additionally, and to improve the detection limit and reliability, and demonstrate the precision of their XRF analytical technique, 10% of sample pulps were submitted to ALSC for umpire sampling as part of Mantra QAQC protocols.

Geophysical logging for the estimation of equivalent U_3O_8 (“e U_3O_8 ”) was completed for the majority of holes drilled at the Nyota Prospect and has become the primary source of uranium data, used in the resource updates for Areas A, C and D. During 2009, chemical assaying was undertaken primarily to validate geophysical data.

Mantra has developed detailed procedural and protocol documentation for gamma logging, covering data acquisition, processing and QAQC. CSA has reviewed two documents adhered to by Mantra staff during 2009 drilling activities and found them to be of industry standard or better and has been utilized to ensure reliable data collection, processing and validation prior to inclusion of this data in resource estimation work.

Down-hole gamma logs were recorded for all OH, AC and DD holes using a natural gamma probe (Auslog A088 27mm tool). Three A088 tools are onsite to ensure efficient gamma logging and for back-up purposes. All tools are subjected to onsite calibration testing using the site calibration hole / test pit.

Continuous readings over a 10cm sample interval at a speed of between 4m and 6m per minute are collected. Readings are collected nominally in the up-hole direction. Following acquisition of the down-hole gamma count-per-second (cps) readings, the data is transformed to e U_3O_8 using standard corrections and local equilibrium/disequilibrium calibration factors. Final e U_3O_8 data is generated by incorporating equilibrium/disequilibrium factors, is subject to rigorous QAQC and is suitable for inclusion in resource estimation work.

Mineral Resource Estimate

The mineral resource estimate (“MRE”) in the Technical Report is an update to the MRE in the September 2009 Technical Report and incorporates additional infill and extension drilling that covers part of the total area of the Nyota Prospect, specifically Areas A, C and D.

The MRE comprises an Indicated Mineral Resource estimated at 15.3 million tonnes, averaging 504 ppm U₃O₈ for a contained 17.0 million pounds of U₃O₈ (or approximately 7,700 tonnes contained U₃O₈) at a lower cut-off grade of 200 ppm U₃O₈, and an Inferred Mineral Resource estimated at 29.1 million tonnes, averaging 430 ppm U₃O₈ for a contained 27.6 million pounds of U₃O₈ (or approximately 12,500 tonnes contained U₃O₈) at a lower cut-off grade of 200 ppm U₃O₈.

An updated bulk density of 1.9t/m³ was applied to all resources at the Nyota Prospect, including the previously reported resources at Areas F, G, I, J, S, B, and X.

The MRE has been prepared by independent consultants CSA and is reported in accordance with the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“**JORC Code**”).

**Mkuju River Project
Nyota Prospect –Mineral Resource Estimate**

Resource Classification	Tonnage (million tonnes)	Grade (U₃O₈ ppm)	Contained U₃O₈ (million pounds)
Indicated	15.3	504	17.0
Inferred	29.1	430	27.6

The MRE for the Project includes the utilization of mapping, geophysical surveys, drilling and sampling at the Nyota Prospect. This data adequately defines geological and grade continuity suitable for the estimation of Indicated and Inferred Mineral Resources.

The data includes:

1. RC, AC, DD, and OH drilling samples used to estimate U₃O₈ grades, with down-hole gamma logs used to estimate an eU₃O₈ grade. Duplicate assay and gamma data was also collected to ensure good correlation between the two methods of U₃O₈ measurement.
2. Trenching to sample mineralization and to estimate surface U₃O₈ grades in areas where steep topography prevented the use of conventional drill rigs.
3. Detailed geological mapping, completed during 2009, providing an improved understanding of the sedimentary and structural controls on uranium mineralization.
4. A review of QAQC information for all assay and geophysical data types which demonstrated acceptable levels of precision and accuracy.
5. Updated bulk density measurements obtained from analysis of DD core. The core was also used for metallurgical test work to verify the conceptual project economics at a level suitable to define the MRE.
6. A high resolution topography digital terrain model, validated by surveyed traverses and reconciliation against drill collar and trench locations.

The following criteria were used in the estimation of the MRE:

1. Sample intercepts with a nominal cut-off grade of greater than 200 ppm U₃O₈ over a minimum thickness of 3m.
2. Interpretation of sedimentary units and structural controls based on recent geological mapping and down the hole geophysical data. Definition of the mineralized envelope at an 80ppm U₃O₈ lower cut-off.
3. Construction of a volume block model using the mineralized envelopes, digital topographic surface and a probabilistic process to estimate the proportion of mineralized blocks above the 200ppm U₃O₈ lower cut-off.
4. Statistical analyses of U₃O₈ completed by area, with top cuts applied separately for drill hole and trench data.

5. Grade estimation using Ordinary Kriging for the drilling defined resource and Inverse Distance Weighting squared for the upper surface resource defined by both trenching and drilling data.
6. Classification of the portions of the MRE for Areas A, C and D as Indicated Resources based on the guidelines specified in the JORC Code.
7. Classification of the MRE for the remainder of the mineralization at Areas A, C and D, and the other 7 areas of mineralization located within the Nyota Prospect as Inferred Resources based on the guidelines specified in the JORC Code.

The following criteria were considered during classification of the MRE:

- Validation of tenement title, drilling, sampling and geological process completed during the site visits by Malcolm Titley, Principle Consultant, CSA Global (UK) Ltd in 2008 and 2009.
- Increased confidence in the occurrence, tenor and geological control of uranium mineralization as a result of recent pre-feasibility study infill drilling, sampling and geological mapping work.
- Reliability of geological, geophysical sample, survey and bulk density data.
- Grade continuity at each area and controls on mineralization volumes.
- Drilling and sampling density.
- Grade estimation criteria based on search and interpolation parameters.
- Overall project fundamentals including metallurgy, mining, site location and potential economics.

Updated resources estimated over Areas A, C and D are classified as Inferred and Indicated Resources. No Measured Resources have been classified. In addition to the classification of Inferred Resources, Indicated Resources have been classified for the following reasons.

- Improved confidence in lithological continuity, as demonstrated by the surface sampling and mapping to support the interpretation of distinct sedimentary cycles, which can be interpreted over 100's of metres. These lithological boundaries have a demonstrated control on the continuity and orientation of uranium mineralization.
- Adequate continuity of uranium mineralization within lithological horizons shown by continuous zones of uranium mineralization of plus 80 ppm U_3O_8 within specific sedimentary horizons. These zones are defined by trenching on the near surface contours, and a combination of various drilling methods at a spacing of approximately 50 x 50m.
- Adequate in situ dry bulk density measurements used to estimate an appropriate tonnage factor to estimate resource tonnages.
- Adequate QAQC controls on the estimation of eU_3O_8 grades derived from geophysical methods.
- Adequate topography and survey control to define the spatial location of samples and to ensure the estimated volume of mineralization is accurate to the levels expected for an inferred resource.
- Adequate understanding of the probable mining, processing, marketing and financial parameters to be confident that the resource is potentially economic or will potentially be economic in the future.

Exploration and Development

Exploration drilling at the Nyota Prospect is ongoing. The current phase of exploration drilling is expected to be concluded in December 2009 and followed by a further revision of the MRE. The revised MRE will include the exploration drilling data and the remainder of the infill drilling and trenching results that are still pending.

Future resource development drilling at the Nyota Prospect should take the form of re-drilling or re-entering of holes that could not be probed as part of the recent infill and extension drilling campaign, followed by filling in current gaps at the 50m x 50m spacing. This should then be followed by a program of closer spaced infill in areas of more complex geology or areas showing shorter ranges of grade continuity.

Exploration Update on the Project

The following technical information relates to the results of exploration drilling that have not been included in the Technical Report as the exploration drilling program is ongoing. The following technical information is based on information prepared by Mr. Robert Behets, Joint Managing Director of Mantra. Mr. Robert Behets is a full-time employee of the Corporation and a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Behets is a Competent Person as defined in the JORC Code and is a "Qualified Person" under NI 43-101. Mr. Behets has verified the following technical information, including sampling, analytical and test data underlying the technical information. Mr. Behets was satisfied with the verification process for the following technical information and consents to the disclosure of the following technical information in this prospectus.

Results returned from 183 AC holes drilled as part of an exploration drilling program to test a high priority exploration target in the north-eastern portion of the Nyota Prospect area have identified a new area of shallow uranium mineralization, referred to as 'Nyota NE'. The mineralization lies approximately one kilometre to the northeast of the existing MRE area and occurs over a total area of approximately 2 square kilometers. Significant intersections have been recorded at shallow depths, up to 63m thick. The mineralization remains open to the north and south.

To date, the exploration drilling program has comprised approximately 450 AC holes for a total of 31,100 meters. This phase of the program is scheduled to be concluded in December 2009, and will be followed by a further revision of the MRE in accordance with the JORC Code and NI 43-101, which is expected to be completed in the March 2010 quarter.

For additional information, please refer to Mantra's News Release dated November 23, 2009 available at www.sedar.com.

USE OF PROCEEDS

Assuming the completion of the Offering, the estimated net proceeds to be received by the Corporation from this Offering will be approximately Cdn\$49,000,000. The Corporation intends to use the net proceeds of the Offering as follows:

Definitive feasibility study on the Nyota Prospect	Cdn\$15 million
Exploration at the Nyota Prospect	Cdn\$7.5 million
Exploration at the Mkuju River Project satellite targets	Cdn\$7.5 million
Preliminary site infrastructure for the Nyota Prospect.....	Cdn\$15 million
Working capital and general corporate purposes	Cdn\$4 million
Total:	Cdn \$49.0 million ⁽¹⁾

Note:

⁽¹⁾ Gross proceeds of the Offering less the Agents' Fee and estimated expenses of the Offering.

Mr. Robert Behets, Joint Managing Director of the Corporation and a "Qualified Person" under NI 43-101, has determined that the above expenditures for the definitive feasibility study on the Nyota Prospect and exploration at the Nyota Prospect and at the Mkuju River Project satellite targets is reasonable.

The Corporation had negative operating cash flow for its financial year ended June 30, 2009. To the extent that the Corporation has negative cash flow in future periods, the Corporation may need a portion of its general working capital to fund such negative cash flow.

The Corporation intends to use the net proceeds of the Offering as stated in this short form prospectus. There may be circumstances however, where for sound business reasons, a reallocation of funds may be necessary. The Corporation has no definitive plans for the portion of the net proceeds of the Offering allocated for general corporate purposes, the allocation of which shall be at the discretion of management of the Corporation. See "Risk Factors".

Business Objectives

The Corporation's principal objective is to become a significant uranium producer in the short to medium term.

To achieve its principal objective, the Corporation's proposed strategies during the next 12 months will continue to focus on the potential development of the Mkuju River Project and include:

- an extensive drilling program (which is already well advanced) in order to extend the existing areas of uranium mineralization and increase geological confidence;
- further metallurgical test work;
- the completion of a pre-feasibility study; and
- commencing and completing a definitive feasibility study.

PLAN OF DISTRIBUTION

The Corporation has appointed the Agents to act as its agents to offer for sale to the public, on a commercially reasonable efforts basis, 13,000,000 Ordinary Shares at a price of Cdn\$4.00 per Ordinary Share, subject to the terms and conditions of the Agency Agreement. The obligations of the Agents under the agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events. The Offering Price per Ordinary Share was determined by negotiation between the Corporation and the Agents.

Pursuant to the Agency Agreement, the Corporation has agreed to pay a cash commission to the Agents of 5% of the gross proceeds of the Offering. Subscriptions for Ordinary Shares offered hereunder will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than in respect of the Ordinary Shares sold to purchasers in the United States, which will be represented by individual certificates, and other than pursuant to certain exceptions, one or more book entry-only certificates representing the balance of the Ordinary Shares will be issued in registered form to the CDS Clearing and Depository Services Inc. ("CDS") or its nominee and deposited with CDS on the Closing Date, which is expected to take place on or before December 23, 2009, or such other date as may be agreed upon by the Corporation and the Agents. A purchaser of Ordinary Shares (other than a purchaser of Ordinary Shares in the United States) will receive only a customer confirmation from the registered dealer through which the Ordinary Shares are purchased. (See "Plan of Distribution").

The TSX has conditionally approved the listing of the Ordinary Shares. Listing on the TSX is subject to the Corporation fulfilling all of the requirements of the TSX on or before March 8, 2010. The Corporation has also applied to list the securities distributed under this prospectus on the ASX. Listing on the ASX will be subject to the Corporation fulfilling all the listing requirements of the ASX.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Agents may not, at any time during the period ending on the date the selling process for the Ordinary Shares ends and all stabilization arrangements relating to the Ordinary Shares are terminated, bid for or purchase Ordinary Shares. The foregoing restrictions are subject to certain exceptions including (a) a bid for or purchase of Ordinary Shares if the bid or purchase is made through the facilities of the TSX, in accordance with the Universal Market Integrity Rules of Market Regulation Services Inc., (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Agents, or if the client's order was solicited, the solicitation occurred before the period of distribution as prescribed by the rules, and (c) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules. The Agents may engage in market stabilization or market balancing activities on the TSX where the bid for or purchase of Ordinary Shares is required for the purpose of maintaining a fair and orderly market in the Ordinary Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

None of the Ordinary Shares offered hereby have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any securities or "blue sky" laws of any of the states of the United States. Accordingly, the Ordinary Shares may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the 1933 Act and applicable state securities laws. In addition, the Agency Agreement provides that

the Agents (i) will offer and sell Ordinary Shares outside the United States only in accordance with Regulation S under the 1933 Act and (ii) will offer and sell Ordinary Shares within the United States only to institutional accredited investors who satisfy one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the 1933 Act. The certificates representing the Ordinary Shares which are sold in the United States will contain a legend to the effect that the Ordinary Shares represented thereby have not been registered under the 1933 Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the 1933 Act.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Ordinary Shares offered hereby in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Ordinary Shares within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirement of the 1933 Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the 1933 Act.

During the period commencing on the Closing Date and ending on the date which is 120 days following the Closing Date, the Corporation has agreed not to issue or announce the issuance of any Ordinary Shares or any securities convertible into or exchangeable for or exercisable to acquire Ordinary Shares at less than the Offering Price without the prior written consent of Haywood Securities Inc., such consent not to be unreasonably withheld, other than pursuant to: (a) currently outstanding rights (including securities contemplated by the Offering), or agreements, including options, warrants and other convertible securities and any rights which have been granted or issued, subject to any necessary regulatory approval; (b) obligations in respect of existing mineral property agreements; (c) the issue of securities in connection with any arm's length property or share acquisition in the normal course of business or in connection with any business combination or similar transaction; or (d) the exercise of the Corporation's stock options or other share compensation arrangements.

The Corporation has agreed to indemnify each of the Agents and their affiliates and their respective directors, officers, employees and agents against certain liabilities and expenses or will contribute to payments that the Agents may be required to make in respect thereof.

DESCRIPTION OF THE SHARES

The Corporation is authorized to issue an unlimited number of Shares, each without par value.

All of the Shares rank equally as to voting rights, participation in a distribution of the assets of the Corporation on a liquidation, dissolution or winding-up of the Corporation and the entitlement to dividends. The holders of Shares are entitled to:

- a) vote at all meetings of shareholders of Mantra, except meetings at which only holders of a specified class of shares are entitled to vote;
- b) receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Mantra, any dividends declared by Mantra; and
- c) receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Mantra, the remaining property of Mantra upon dissolution or winding-up of Mantra, whether voluntary or involuntary.

PRIOR SALES

Shares

The following table summarizes the Shares issued by Mantra during the 12 months prior to the date of this prospectus.

Date	Price per share	Number of shares	Reason for issuance
December 19, 2008	A\$0.20	99,083	Exercise of share purchase options
January 30, 2009	A\$0.20	300	Exercise of share purchase options
February 21, 2009	A\$0.20	63,600	Exercise of share purchase options
March 12, 2009	A\$0.20	11,695	Exercise of share purchase options
March 27, 2009	A\$0.20	88,990	Exercise of share purchase options
April 24, 2009	A\$0.20	358,633	Exercise of share purchase options

Date	Price per share	Number of shares	Reason for issuance
April 29, 2009	A\$0.20	84,415	Exercise of share purchase options
May 15, 2009	A\$0.20	4,267,492	Exercise of share purchase options
May 29, 2009	A\$0.20	1,970,173	Exercise of share purchase options
June 12, 2009	A\$0.20	8,711,063	Exercise of share purchase options
June 17, 2009	A\$0.20	5,706,142	Exercise of share purchase options
June 17, 2009	A\$0.30	250,000	Exercise of share purchase options
June 19, 2009	A\$0.20	2,057,094	Exercise of share purchase options
June 19, 2009	A\$0.25	500,000	Exercise of share purchase options
June 19, 2009	A\$1.50	500,000	Exercise of share purchase options
June 26, 2009	A\$0.20	1,472,686	Exercise of share purchase options
June 26, 2009	A\$0.25	150,000	Exercise of share purchase options
June 30, 2009	A\$0.20	2,196,092	Exercise of share purchase options
August 19, 2009	A\$3.71	200,000	Acquisition of mining tenements
October 23, 2009	A\$1.20	250,000	Exercise of share purchase options
October 23, 2009	A\$2.50	50,000	Exercise of share purchase options
November 6, 2009	A\$.90	200,000	Exercise of share purchase options

Options

The following table summarizes the options convertible into Shares issued by Mantra during the 12 months prior to the date of this prospectus.

Date	Exercise Price per option	Number of options	Reason for issuance
January 30, 2009	A\$1.20	250,000	Acquisition of mining tenements
March 12, 2009	A\$1.65	850,000	Remuneration arrangements
March 12, 2009	A\$2.50	850,000	Remuneration arrangements
April 29, 2009	A\$1.65	1,200,000	Remuneration arrangements
June 30, 2009	A\$3.00	300,000	Remuneration arrangements
June 30, 2009	A\$3.50	300,000	Remuneration arrangements

TRADING PRICE AND VOLUME

TSX

The following table sets forth the high and low closing sale prices and trading volumes for the Shares as reported on the TSX since listing:

Month	High (Cdn\$)	Low (Cdn\$)	Volume
November (18-30)	4.50	4.25	384,100
December (1-15)	4.50	4.10	194,400

ASX

The following table sets forth the high and low closing sale prices and trading volumes for the Shares as reported on the ASX during the 12 months prior to the date of this prospectus:

<u>Month</u>	<u>High (A\$)</u>	<u>Low (A\$)</u>	<u>Volume</u>
December 2008	0.85	0.63	1,358,760
January 2009	0.94	0.67	2,515,189
February	1.30	0.80	4,660,891
March	1.90	1.31	2,474,107
April	2.80	1.75	4,132,093
May	3.25	2.65	3,896,405
June	3.86	2.95	8,047,123
July	3.92	3.55	3,961,115
August	3.85	3.48	2,528,884
September	5.05	3.40	4,954,658
October	5.10	4.40	2,844,147
November	4.80	4.16	1,666,703
December (1-16)	4.55	4.11	843,632

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR CANADIAN RESIDENTS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Miller Thomson LLP, counsel to the Agents, the following is a general summary of the principal Canadian federal income tax considerations generally applicable to a prospective purchaser of Ordinary Shares pursuant to this short form prospectus. This summary is applicable to a holder who, for purposes of the Tax Act and for purposes of the *Australia-Canada Income Tax Convention* at all relevant times, is or is deemed to be resident in Canada, will hold the Ordinary Shares as capital property, and deals at arm's length and is not affiliated with the Corporation. The Ordinary Shares will generally be considered capital property to a holder unless either the holder holds such Ordinary Shares in the course of carrying on a business of buying and selling securities or the holder has acquired the Ordinary Shares in a transaction or transactions considered to be an adventure in the nature of trade. This summary is not applicable to (i) any holder that is a "financial institution" or a "specified financial institution" (both, as defined in the Tax Act); (ii) any holder an interest in which would be a "tax shelter investment" (as defined in the Tax Act); (iii) any holder to which the Corporation would be a "foreign affiliate" for purposes of the Tax Act; or (iv) any holder that makes a functional currency election pursuant to section 261 of the Tax Act. Such purchasers should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister prior to the date hereof (the "Proposals") and counsel's understanding of the current administrative and assessing practices and policies of the Canada Revenue Agency ("CRA") which have been made publicly available prior to the date hereof. No assurance can be given that the Proposals will be enacted as proposed, if at all. This summary does not take into account or anticipate any other changes in law, including retroactive changes, whether by legislative, regulatory, administrative or judicial decision or action or changes in the administrative practices of CRA, is not exhaustive of all Canadian federal income tax considerations and does not take into account other federal tax considerations or provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended, nor should it be construed to be, legal or tax advice to any particular investor. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Ordinary Shares. The income and other tax consequences of acquiring, holding and disposing of Ordinary Shares will vary according to the status of the holder, the province or provinces in which the holder resides or carries on business and, generally, the holder's own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular holder. Prospective holders should consult their own tax advisors with respect to the income tax consequences of investing in Ordinary Shares, based on the holder's particular circumstances.

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Ordinary Shares (including dividends, adjusted cost base and proceeds of the disposition) must be expressed in Canadian dollars. Amounts denominated in Australian dollars or other foreign currency must be converted into Canadian dollars based on the exchange rate quoted by the Bank of Canada at noon on the day on which the amount first arose or such other rate of exchange acceptable to the CRA.

Dividends on Ordinary Shares

The full amount of dividends received or deemed to be received on the Ordinary Shares by an individual, including amounts deducted for foreign withholding tax, if any, will be included in the individual's income and will not be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations.

Dividends received or deemed to be received on the Ordinary Shares by a corporation will be included in computing the corporation's income and generally will not be deductible in computing the corporation's taxable income. A holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % in respect of dividends received or deemed to be received on the Ordinary Shares.

Australian non-resident withholding tax or other Australian income tax payable by a holder in respect of dividends received on the Ordinary Shares may be eligible for a foreign tax credit or deduction under the Tax Act to the extent and under the circumstances prescribed in the Tax Act. Prospective purchasers should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction, having regard to their own personal circumstances.

Disposition of Ordinary Shares

In general, a holder who disposes of or is deemed to dispose of the Ordinary Shares (including on a purchase of Ordinary Shares for cancellation by the Corporation) will generally realize a capital gain (or sustain a capital loss) to the extent that the holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Ordinary Shares to the holder immediately before the disposition. One-half of any capital gain (the "**taxable capital gain**") realized by a holder will be included in the holder's income for the year of disposition. One-half of any capital loss realized (the "**allowable capital loss**") will generally be deductible by the holder against taxable capital gains realized by the holder for the year of disposition. Any excess of allowable capital losses over taxable capital gains for the year of disposition generally may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years to the extent and in the circumstances prescribed in the Tax Act.

Australian tax, if any, levied on any gain realized on the disposition of the Ordinary Shares may be eligible for a foreign tax credit or deduction under the Tax Act to the extent and under the circumstances prescribed under the Tax Act. Prospective purchasers should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction, having regard to their own personal circumstances.

Corporations that are "Canadian-controlled private corporations", as defined in the Tax Act, are subject to an additional refundable 6 $\frac{2}{3}$ % tax on their "aggregate investment income" (which is defined in the Tax Act to include an amount in respect of taxable capital gains).

Capital gains realized by a holder that is an individual (including certain trusts), may give rise to alternative minimum tax under the Tax Act.

Proposals Regarding Foreign Investment Entities

Under legislation contained in former Bill C-10, amendments to the Tax Act were proposed by the Minister regarding the taxation of certain interests in non-resident entities that are "foreign investment entities" (the "**FIE Proposals**"), to be generally applicable for taxation years commencing after 2006. Parliament was dissolved on September 7, 2008, before the FIE Proposals were enacted, meaning the FIE Proposals require reintroduction to be enacted in the future.

As part of the January 27, 2009 Federal Budget, the Minister announced that the government would be reviewing the FIE Proposals and submissions made to the government thereon before proceeding with any amendments regarding the taxation of "foreign investment entities". There can be no assurance that the FIE Proposals will ultimately be enacted in the form set out in former Bill C-10, or at all.

Pursuant to the FIE Proposals, where a holder (that is not an "exempt taxpayer") holds a "participating interest" (such as a share), that is not an "exempt interest" in a corporation that is a "foreign investment entity" (a "**FIE**") at the corporation's tax

year-end, the holder will be required to take into account, in computing income for the holder's taxation year that includes such taxation year-end: (i) an amount based on a prescribed rate of return on the "designated cost" of such participating interest held by the holder at the end of each month ending in the holder's taxation year at which time the participating interest is held by the holder; (ii) in certain limited circumstances, any gains or losses accrued on such participating interest for the year; or (iii) in certain limited circumstances, the holder's proportionate share of the FIE's income (or loss) for the year, calculated in accordance with the Tax Act.

Under the FIE Proposals, a corporation will not be a FIE if the "carrying value" of all of its "investment property" is not greater than one-half of the "carrying value" of all its property or if, throughout the taxation year, its principal undertaking is the carrying on of a business that is not an "investment business" within the meaning of those terms in the FIE Proposals. Provided the carrying value test is met at the end of a taxation year of the corporation, then the corporation will not be a FIE for such taxation year.

In any event, the FIE Proposals will not apply in a taxation year of a holder of Ordinary Shares if, at the end of the taxation year of the Corporation that ends in such year, the Ordinary Shares are an "exempt interest" to such holder. Generally, the Ordinary Shares will constitute an exempt interest to a holder at a particular time if:

- (a) it is reasonable to conclude that the holder has, at that time, no "tax avoidance motive" (within the meaning of the FIE Proposals) in respect of the Ordinary Shares;
- (b) throughout the period of the Corporation's taxation year that includes that time, during which the holder held the Ordinary Shares, either (i) the Corporation is governed by and exists under the laws of Australia, and the Corporation is a resident of Australia for purposes of the *Australia-Canada Income Tax Convention* or (ii) the Corporation is a resident of Australia for purposes of the Tax Act and the Ordinary Shares are listed on a designated stock exchange (which includes the TSX and ASX); and
- (c) throughout such period, the Ordinary Shares, are an "arm's length interest" of the holder within the meaning of the FIE Proposals.

The determination of whether a holder will have a tax avoidance motive in respect of the Ordinary Shares within the meaning of the FIE Proposals will depend upon the particular circumstances of the holder of Ordinary Shares. Holders should consult their own tax advisors regarding the determination of whether they have such a tax avoidance motive.

The Ordinary Shares will qualify as an "arm's length interest" at any time in respect of a holder of Ordinary Shares for purposes of the FIE Proposals provided (i) it is reasonable to conclude that, (A) there are at least 150 persons each of which holds at that time Ordinary Shares having a total fair market value of at least Cdn\$500; or (B) Ordinary Shares of the Corporation that are identical to the Ordinary Shares are listed on a designated stock exchange (including the TSX and the ASX), as defined in the Tax Act and such Ordinary Shares were traded at least 10 consecutive trading days on that stock exchange in the period that begins 30 days before that time; (ii) it is reasonable to conclude the Ordinary Shares can normally be acquired and sold by members of the public in the open market, and (iii) the aggregate fair market value at that time of the Ordinary Shares that are held by the holder, or an entity or individual with whom the holder does not deal at arm's length, does not exceed 10% of the fair market value of all of the Ordinary Shares held by an entity or individual at that time. No assurances can be given that the Ordinary Shares will qualify as an arm's length interest upon the closing of the Offering or at any time in the future.

The determination of whether or not the Corporation is a FIE must be made on an annual basis at the end of each taxation year of the Corporation and no assurances can be given that the Corporation will not be a FIE at the end of any of its taxation years. In the event that the FIE Proposals are enacted as last proposed and do apply to the Ordinary Shares, a holder may be required to include in income for each taxation year an amount of income or gains computed in accordance with the FIE Proposals, regardless of whether or not the holder actually receives any income or realizes any gains relating to such Ordinary Shares.

The FIE Proposals are complex and have been subject to extensive commentary and amendment. Holders should consult their own tax advisors regarding the potential application of the FIE Proposals in their particular circumstances.

Foreign Property Information Reporting

In general, a "specified Canadian entity", as defined in the Tax Act, for a taxation year or fiscal period whose total cost amount of "specified foreign property", as defined in the Tax Act, at any time in the taxation year or fiscal period exceeds Cdn\$100,000, is required to file an information return for the taxation year or fiscal period disclosing prescribed information,

including the cost amount and any income in the year in respect of such property. Subject to certain exceptions, a taxpayer resident in Canada, in the year will be a specified Canadian entity. The Ordinary Shares will be specified foreign property to a holder. Failure to file an information return in respect of such specified property may result in penalties to the holder.

The reporting rules in the Tax Act are complex and this summary does not purport to explain all circumstances in which reporting may be required. Accordingly, holders should consult their own tax advisors regarding compliance with these rules.

RISK FACTORS

An investment in the Ordinary Shares is highly speculative and subject to a number of risks. Prospective investors in the Ordinary Shares should carefully consider the information described in this short form prospectus as well as the Risk Factors set out in the Corporation's Annual Information Form incorporated herein by reference. These risk factors, together with all other information included or incorporated by reference in this short form prospectus, including information contained in the section "Cautionary Statement Regarding Forward Looking Statements", should be carefully reviewed and considered by investors. In addition, an investor should carefully consider the following risk factors associated with the Offering.

Risks Associated with the Offering

The Corporation's Shares are publicly traded and are subject to various factors that may make the Corporation's share price volatile.

There can be no assurance that an active market for the Shares will be sustained after the Offering. Securities of mineral resource and mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the shares of the Corporation is also likely to be significantly affected by short-term changes in commodity prices, including uranium prices, currency exchange fluctuation, the political environment in Tanzania, or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the shares of the Corporation include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research capabilities do not follow the Corporation's shares; lessening in trading volume and general market interest in the Corporation's shares may affect an investor's ability to trade significant numbers of shares of the Corporation; the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's shares; and a substantial decline in the price of the shares of the Corporation that persists for a significant period of time could cause the Corporation's shares to be delisted from an exchange, further reducing market liquidity. If an active market for the shares of the Corporation does not continue, the liquidity of an investor's investment may be limited and the price of the shares of the Corporation may decline below the Offering Price.

As a result of any of these factors, the market price of the shares of the Corporation at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution from Further Equity Financing

If the Corporation raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholder of the Corporation and reduce the value of their investment.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

Risks Relating to the Corporation

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Shares could continue to be adversely affected.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at the dates indicated, and as adjusted to give effect to the Offering. The table should be read in conjunction with the audited annual consolidated financial statements of the Corporation for the year ended June 30, 2009 and management's discussion and analysis thereon and the unaudited interim consolidated financial statements of the Corporation as at and for the three months ended September 30, 2009 and management's discussion and analysis thereon, incorporated by reference in this short form prospectus.

	<u>As at June 30, 2009</u>	<u>As at September 30, 2009</u>	<u>As at September 30, 2009 after giving effect to the issue of Ordinary Shares⁽¹⁾⁽²⁾</u>
Cash and cash equivalents	A\$26,116,132	A\$20,908,771	A\$71,805,071
Long term debt	Nil	Nil	Nil
Shares (unlimited authorized)	A\$91,163,906 (108,604,994 ordinary shares)	A\$91,857,523 (108,804,994 ordinary shares)	A\$142,753,823 (121,804,994 ordinary shares)

Notes:

(1) After deduction of the Agents' Commission and the estimated expenses of the Offering.

(2) Calculated based on the Exchange Rate.

CORPORATE GOVERNANCE

Board of Directors

The Board of the Corporation is currently comprised of five directors, three of whom (a majority) are independent, namely, Messrs Steyn, Pearce and Middlemas (Chairman of the Board). Messrs Behets and Yates, the Joint Managing Directors are not independent as they are both currently executive officers of the Corporation.

The independent directors do not hold regularly scheduled meetings at which the non-independent directors and members of management are not in attendance. The Board considers that such meetings are not necessary considering the current size of the Corporation and breadth of membership of the Board, and given that the Board promotes generally open and candid discussions among independent directors. However, as required, the independent directors ask that non-independent directors excuse themselves from Board meetings when appropriate. The Board believes that this procedure is appropriate given the size of the Corporation.

The role and responsibilities of the Chair of the Board are set out in the Board charter below.

The attendance record of the directors at meetings of the Board held during the Corporation's most recently completed financial year was as follows:

Current Directors	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Ian Middlemas	6	6
Robert Behets	6	5
Matthew Yates	6	6
Colin Steyn	6	6
Mark Pearce	6	6

Note: The Corporation resolved that an Audit Committee be established on September 25, 2009 and accordingly, there were no Audit Committee Meetings held during the most recently completed financial year.

Other Directorships

The following directors of the Corporation are directors or other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

- **Mr. Ian Middlemas**

Mr. Middlemas holds directorships in Neon Energy Limited (November 1995 – present), Global Petroleum Limited (April 2007 – present), Indo Mines Limited (December 2006 – present), Coalspur Mines Limited (March 2007 – present), Newport Mining Limited (September 2008 – present), Odyssey Energy Limited (September 2005 – present), Pacific Energy Limited (June 2006 – present), QED Occtech Limited (July 2001 – present), Sierra Mining Limited (January 2006 – present), Sovereign Metals Limited (July 2006 – present), WCP Resources Limited (September 2009 – present) and Equatorial Coal Limited (November 2009 – present).

- **Mr. Mark Pearce**

Mr. Pearce holds directorships in Newport Mining Limited (September 2008 – present), Coalspur Mines Limited (March 2007 – present), Odyssey Energy Limited (September 2005 – present), QED Occtech Limited (November 2004 – present), Sovereign Metals Limited (July 2006 – present), WCP Resources Limited (September 2009 – present) and Equatorial Coal Limited (November 2009 – present).

- **Mr. Colin Steyn**

Mr. Steyn holds a directorship in Mirabela Nickel Limited (October 2009 – present).

Board Mandate

The Board has adopted a written charter, a copy of which is included below. Generally speaking, the Board is responsible for the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Corporation including formulating (with management) its strategic direction, approving and monitoring capital expenditures, setting remuneration, appointing, removing and creating succession policies for directors and executive officers, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for monitoring financial and other reporting.

Position Descriptions

Other than as set out in the Board charter, the Board has not adopted written position descriptions for the Chairman of the Board on the basis that the role of the Chairman of the Board is well understood by all of the directors. Similarly, other than as set out in the Board charter, the Board has not adopted a written position description for the Joint Managing Directors, Messers Behets and Yates, on the basis that their role and responsibilities are well understood by them and by the other directors. The role of chair of the Audit Committee is set out in the Audit Committee charter.

Orientation and Continuing Education

The Corporation does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Corporation's business, current issues, corporate strategy and the role of the

Board, its committees and its directors by the current directors and senior officers. The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Corporation's business.

Ethical Business Conduct

Directors of the Corporation must keep the Board advised, on an on-going basis, of any material personal interest in a matter that relates to the affairs of the Corporation. Where a director has a personal interest in a matter, the director will remove himself from any deliberations regarding the matter to which the conflict relates.

To encourage ethical business practices, with the prior approval of the Chairman or independent directors, each director has the right to seek independent legal and other professional advice at the Corporation's expense concerning any aspect of the Corporation's operations or undertakings in order to fulfil his duties and responsibilities as a director.

The Corporation has implemented a code of ethics and conduct for its directors, officers and employees. If any director, officer or employee suspects that a breach of the code has occurred or will occur, he or she is required to report the breach to management. No person will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach of the code. All reports will be acted upon and kept confidential. A person may obtain a copy of the code by contacting the Corporation.

Nomination and Compensation of Directors

Given the Corporation's size and stage of development, the Board has not yet established a separate Nomination and Compensation Committee. However, it is noted that the Corporation is currently undertaking a review of its corporate governance framework and expects to establish such a committee in the coming months.

Other Board Committees

The Board currently has no standing committees other than the Audit Committee. The information prescribed by Part 5 of NI 52-110 is set out under the heading "Audit Committee" in the Corporation's Annual Information Form dated November 16, 2009.

Assessments

Given the Corporation's size and stage of development, the evaluation of the Board as a whole, committees of the Board and its individual directors continue to be carried out periodically on an informal basis. To date, given the small size of the Board and the frequency with which its meetings are held, the Board has not found it necessary to implement a formal process in order to satisfy itself that the Board, its committees and its individual directors are performing effectively.

Board Charter

Role of the Board

The primary function of the Board of the Corporation is to manage, or supervise the management of, the business and affairs of the Corporation. In doing so, the Board shall act with a view to the best interests of the Corporation.

The Board has responsibility for, and has the authority to determine, all matters relating to policies, practices, management and operations of the Corporation. It is required to do all things necessary to determine the objectives and the strategy, and to ensure that the strategy is carried out in order to achieve the objectives of the Corporation.

The principle objective of the Corporation is to acquire, explore, develop and operate (or otherwise exploit) profitable resource projects to create and deliver sustainable value for shareholders.

The Board has the final responsibility for the successful implementation of the strategies, and the ongoing operations and performance, of the Corporation.

Without limiting the generality of that stated role, the matters reserved specifically for the Board include:

- (a) determining the vision and objectives of the Corporation;

- (b) formulating short term and long term strategies to enable the Corporation to achieve its objectives, and ensuring adequate resources are available to meet strategic objectives;
- (c) identifying occupational health, safety and environmental issues and formulating and implementing policies to address and manage them, and to monitor the compliance and effectiveness of these policies;
- (d) identifying other material business risks pertaining to the Corporation's operations, and to develop and implement strategies to manage these risks, and internal control systems to monitor compliance with and the effectiveness of these strategies;
- (e) appointing and approving the terms and conditions of the appointment of the Managing Director and Chief Financial Officer, and other officers;
- (f) determining the remuneration of the Corporation's Managing Director, Chief Financial Officer and other officers of the Corporation, including share and benefit plans;
- (g) establishing and determining the powers and functions of the committees of the Board ("Committees"), including the Audit Committee;
- (h) reviewing and providing feedback on the performance of the Managing Director and Chief Financial Officer and other officers and senior management of the Corporation;
- (i) reviewing the performance of the Board, individual directors and Committees;
- (j) endorsing the terms and conditions of employment of senior executives;
- (k) approving and fostering an appropriate culture for the Corporation that is directly aligned to its values, strategies and objectives;
- (l) identifying all areas where written Board policies are required, determining the policies, and overseeing the implementation and monitoring of compliance, including policies in relation to codes of conduct, related party transactions, and trading in the Corporation's securities;
- (m) approving the annual budget of the Corporation and variations thereto;
- (n) approving major operating and capital budgets of the Corporation, and material variations to these budgets;
- (o) authorising expenditure approval limits for the Managing Director and authorising expenditure in excess of these discretionary limits;
- (p) approving all mergers, acquisitions and disposals of projects and businesses;
- (q) considering the reports from Committees and the recommendations made;
- (r) reviewing annually the progress and performance of the Corporation towards meeting its objectives;
- (s) reviewing periodically the process, outcomes and effectiveness of the Corporation's decisions and strategies, and ensuring that valuable lessons are identified and absorbed into the process and framework for making future decisions;
- (t) authorising the issue of securities and instruments of the Corporation;
- (u) approving processes, procedures and internal control systems to ensure that the Corporation's financial results are reported on a timely and accurate basis;
- (v) approving Annual Financial Reports (and interim financial reports as may be required), Annual Reports, notices of general meetings, and profit and dividend announcements;

- (w) determining, implementing and monitoring procedures to ensure that the Australian Securities Exchange and the Toronto Stock Exchange are promptly and adequately informed of all matters considered to be material, in accordance with the continuous disclosure obligations;
- (x) overseeing the Corporation's approach to corporate governance issues;
- (y) monitoring developments in the Corporation's industry and general operating environment; and
- (z) encouraging effective communication between the Corporation and its shareholders, employees and the general public.

Powers of the Board of Directors

In order to ensure the efficient management of the Corporation, the Board recognises the need to delegate certain of its powers to executive management. These powers may be delegated to a Committee of the Board, an individual director, or to an officer or employee of the Corporation.

In delegating this power, the Board must be satisfied that the delegate will exercise it reliably and competently, and in accordance with the requirements of the Board. The Board must be satisfied on reasonable grounds at all times that the delegate would exercise the power in conformity with the duties imposed on directors of the Corporation by the *Corporations Act 2001 (Cth)* and the Corporation's Constitution. The Board must also be satisfied, on reasonable grounds and in good faith and after making proper inquiry if the circumstances indicated the need for inquiry that the delegate was reliable and competent in relation to the power delegated.

The Board accepts responsibility for the manner in which the delegated powers are exercised, and must monitor the efficiency and effectiveness of the exercise of these powers by the delegate.

Delegation of Authority to Managing Director and Senior Management

The Board delegates responsibility for the day-to-day management of the Corporation and its operations to its Managing Director and senior management. This delegation of authority includes responsibility for:

- (a) formulating, with the Board, the vision, strategies, business plans and budgets for the Corporation, and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the Corporation's businesses within the parameters and having regard to the policies set by the Board from time to time, and keeping the Board informed of material developments in relation to those businesses;
- (c) where proposed transactions, commitments or undertakings exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (d) identifying material business risks, formulating strategies in conjunction with the Board or the Audit Committee to manage the risks, and monitoring effectiveness of the management process and reporting to the Board and Audit Committee;
- (e) developing and managing financial reporting and internal control and monitoring systems to ensure that they are efficient and effective, and provide adequate and timely financial information pertaining to the performance, condition, and prospects of the Corporation;
- (f) implementing and monitoring compliance with the policies, processes and codes of conduct approved by the Board;
- (g) negotiating the terms and conditions of appointment of senior executives for Board approval, appointing the senior management team, and endorsing the terms and conditions of appointment of all other staff members;
- (h) implementing and monitoring compliance with policies, processes and procedures for the management and development of the Corporation's human resources, including the corporate culture and ethics;

- (i) providing strong leadership to, and effective management of, the Corporation;
- (j) ensuring that all matters requiring review or approval by the Board are raised with sufficient supporting information and advance notice to allow proper consideration by the Board; and
- (k) reporting to the Board on a monthly basis, or other agreed time frame considered to be appropriate by the Board, the performance of all parts of the business against budget.

Chairman's Responsibilities

The Chairman's responsibilities include:

- (a) chairing the meetings of the Board in an impartial manner, ensuring that meetings are properly constituted, a quorum is present, minutes of previous meetings are considered as required, all directors have a fair opportunity to participate, and the meeting is declared closed;
- (b) developing a regular schedule of Board meetings, setting the agenda for the meetings in consultation with the Managing Director, and ensuring that there is adequate time and balance allowed between strategic, operational and compliance issues;
- (c) ensuring that issues relating to conflicts of interest between the Corporation and its directors and employees are properly dealt with in accordance with the Constitution of the Corporation and applicable law;
- (d) understanding of Board and general meeting rules and procedures;
- (e) chairing the Annual General Meeting (AGM), and any Extraordinary General Meetings, and ensuring that shareholders have adequate opportunity to ask questions and provide their comments in relation to the management of the Corporation;
- (f) ensuring that the external audit partner is present at the AGM and available to answer any questions raised by shareholders;
- (g) providing leadership and ensuring the effective performance of the Board;
- (h) maintaining ongoing relations with management that are conducive to productive co-operation, and ensuring the provision by management to directors of accurate, timely and clear information;
- (i) arranging regular evaluations of the performance of the Board and its Committees and of individual directors;
- (j) ensuring directors continually update their skills and experience and knowledge of the Corporation necessary to fulfil their role on the Board and Committees; and
- (k) establishing a protocol to be applied if the Chairman is absent from meetings of the Board.

Board Structure

Criteria for Appointment

Directors are appointed under the terms of the Corporation's Constitution. Appointments to the Board are to be based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise and experience on the Board. The categories considered necessary for this purpose is a blend of accounting and finance, business, technical and administration skills.

Formality of Appointment

Directors should be appointed pursuant to formal agreements. The expectations for time to be committed and involvement in Committees and other activities of the Corporation should be set out in writing.

Role of Non-Executive Directors:

Non-executive directors collectively should:

- (a) challenge executive management and contribute to the development of strategy;
- (b) scrutinise the performance of executive management against agreed objectives and strategies;
- (c) monitor the quality, quantity and efficiency of internal and external reporting of Corporation performance;
- (d) review independently and challenge the proposals presented by executive management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision making; and
- (e) take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust.

Non-executive directors individually should:

- (a) take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as directors of the Corporation;
- (b) monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a director of the Corporation, and provide quality assistance to enable the Corporation to achieve its objectives; and
- (c) undertake ongoing education to maintain appropriate skill levels, and attend site visits to the Corporation to assist with the need to remain familiar with the Corporation's business activities.

Annual Review of Non-Executive Directors

Board composition should be reviewed annually by the Board to ensure that the non-executive directors between them bring the range of skills, knowledge and experience necessary to direct the Corporation in the future, taking into account its current operations and expectations for changes in the nature and scope of its activities.

Expectations of Directors

Prospective candidates for election as directors of the Corporation are to be acquainted with the role of the Board and its Committees and the contribution that directors are expected to make, including, in particular, the time commitment that the Corporation expects of directors. Directors are expected to prepare in advance of each meeting in order to fulfil their responsibilities as directors.

Conflicts of Interest and Potential Conflicts of Interest

A director must inform the Board or the Chairman as soon as the director becomes aware of any conflict or potential conflict of interest the director may have in relation to any transaction or matter relevant to the Corporation or its business. Unless the Board decides or the law requires otherwise, the director should be absent from any discussion and decision on that transaction or matter.

Compliance with Legislation and Board Policy

Directors must comply with the relevant legislation impacting on their activities as directors, and with all policies established by the Board.

Committees

The Board may establish, as required, standing and temporary Committees to which it may delegate some of its powers. Each Committee shall adopt a charter in order to define the role, responsibility, powers, structure, composition, operation and administration of the Committee and the Board.

The Board has adopted an Audit Committee. The Audit Committee, and any other Committee the Board should adopt, should report to the Board, as it considers appropriate having regard to matters and issues of significance that may arise, but in any case at least twice annually.

The minutes of the Audit Committee meetings, and the meeting minutes of any other Committee the Board should adopt, should be included in the Board pack of directors for each Board meeting, except where the Chairman considers it inappropriate due to potential conflicts.

Board Performance

The Board has a process for reviewing its performance and that of its individual directors, Committees and senior management. The Board meets annually to review the outcome of this process.

The annual procedure for Board performance evaluation will be to:

- review its performance against the terms of the Board Charter;
- review the performance of Committees against the terms of their charters;
- review the contribution of each director; and
- review the changes that may be required to the charter of the Board or its Committees, taking into account the developments in the Corporation and its businesses over the preceding year, and in corporate governance practices.

The Board will determine the scope and detailed procedures involved in this performance evaluation.

Indemnity and Insurance

The Corporation maintains a Directors' and Officers' Liability insurance policy to indemnify directors against liability (subject to certain exclusions) arising out of the discharge of their duties as directors. All such insurance cover is to be obtained at reasonable rates and on reasonable terms.

Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Corporation will pay the reasonable expenses associated with obtaining such advice.

Board Review of Mandate

The Board may review and, as and when necessary, revise the Mandate.

In accordance with applicable securities laws, the text of the Board mandate shall be included in the Corporation's management proxy circular for each annual meeting of the Corporation's shareholders.

EXECUTIVE COMPENSATION

The following information, tables and the notes thereto summarize the compensation of the Joint Managing Directors, the Country Manager – Tanzania, and the Chief Financial Officer of Mantra (the "Named Executive Officers" or "NEOs") for the financial years ended June 30, 2009, 2008 and 2007. There were no other executive officers of Mantra or its subsidiaries serving during the last financial year whose total salary and bonus exceeded C\$150,000 per annum.

Compensation Discussion and Analysis

The compensation of the Named Executive Officers is set out in the “*Summary Compensation Table*” and “*Employment Contracts*” sections above. The executive compensation policy adopted by the Board is to provide a fixed remuneration component and a performance based component to Mantra’s executives. The Board believes that this compensation policy is appropriate given the stage of development of the Corporation and the activities which it undertakes, and is appropriate in aligning executive objectives with shareholder and business objectives.

The compensation policy in regard to setting the terms and conditions for executives has been developed by the Board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The policy is to remunerate executives at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to executives and reviews their compensation annually, based on market practice, duties and accountability. Independent external advice is sought when required.

Bonuses are used to reward executive officers for achieving certain objectives. The Corporation’s performance and the performance of the individual during the period is considered in determining whether a bonus will be paid and if so, the amount of the bonus.

The Corporation is a growing listed company with most of its funds allocated to specific exploration and development activities. As a result, the Board chooses to issue stock options to executives as a key component of the incentive portion of their remuneration, in order to retain the services of executives and to provide an incentive linked to the performance of the Corporation. Given the speculative nature of the Corporation’s activities and the small executive team responsible for its running, it is considered the performance of Mantra’s executives and the performance and value of the Corporation are closely related. As such, options granted to executives will generally only be of benefit if Mantra’s executives perform to the level whereby the value of the Corporation increases sufficiently to warrant exercising the options granted.

Given the evolving nature of the Corporation’s business, the Corporation’s overall compensation plan is under constant review so as to continue to address its objectives.

During the year ended June 30, 2009, Messers. Behets, Yates and Devlin agreed to a restructure of their remuneration packages and their stock options. Effective March 1, 2009, Mr. Behets’ and Mr. Yates’ cash remuneration was reduced to a fixed remuneration component of A\$250,000 per annum (previously A\$325,000) plus superannuation (9%). In recognition of this reduced cash remuneration package, the Joint Managing Directors cancelled 600,000 options exercisable at \$3.50 each on or before June 30, 2011 and after receiving Shareholder approval, were then issued 600,000 options exercisable at \$1.65 each on or before December 31, 2010.

Effective March 1, 2009, Mr. Devlin’s cash remuneration was reduced to a fixed remuneration component of US\$300,000 per annum (previously US\$490,596) plus superannuation (10%). In recognition of this reduced cash remuneration package, Mr. Devlin agreed to the cancellation of 500,000 stock options exercisable at \$3.50 each on or before June 30, 2011 and 500,000 options exercisable at \$4.50 each on or before September 30, 2011 and was then issued 500,000 options exercisable at \$1.65 each on or before December 31, 2010 and 500,000 options exercisable at \$2.50 each on or before June 30, 2010.

Summary Compensation Table

The following table and the notes thereto summarise the compensation of the NEOs.

Name and Principal Position	Financial Year	Salary A\$	Share-based awards A\$	Option-based awards ⁽⁴⁾ A\$	Non-equity incentive plan compensation			All Other Compensation A\$	Total Compensation A\$
					Annual incentive plans #	Long-term incentive plans A\$	Pension value A\$		
Robert Arthur Behets Joint Managing Director	2009	300,000	-	1,028,400	-	-	27,000	-	1,355,400
	2008	240,000	-	-	50,000	-	26,100	-	316,100
	2007	200,000	-	174,000	50,000	-	23,500	-	447,500
Matthew Giles Yates ⁽¹⁾ Joint Managing Director	2009	300,000	-	1,028,400	-	-	27,000	-	1,355,400
	2008	75,000	-	-	-	-	6,750	-	81,750
	2007	-	-	-	-	-	-	-	-
Luke Andrew Watson ⁽²⁾ Company Secretary and Chief Financial Officer	2009	150,000	-	-	-	-	13,500	-	163,500
	2008	32,500	-	159,000	-	-	2,925	-	194,425
	2007	-	-	-	-	-	-	-	-
Anthony Charles Devlin ⁽³⁾ Country Manager (Tanzania)	2009	490,309	-	3,706,500	-	-	49,031	-	4,245,840
	2008	-	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-	-

Notes:

- (1) Mr. Yates was appointed Joint Managing Director of the Corporation on March 11, 2008.
- (2) Mr. Watson was appointed Company Secretary of the Corporation on March 11, 2008 and became Chief Financial Officer effective July 1, 2009.
- (3) Mr. Devlin commenced as Country Manager of Mantra Tanzania Limited on September 1, 2008.
- (4) Option-based awards includes amounts for stock options granted to directors and executives of the Corporation or (its subsidiaries) during the most recently completed financial year that were subsequently cancelled after each of the individuals agreed to receive a restructured remuneration package, including a reduced cash remuneration package (refer Table below for further details).

Details of stock options granted to each Named Executive Officer during the most recently completed financial year are as follows:

	Issuing Entity	Grant Date	Expiry Date	Exercise Price \$	Grant Date Fair Value \$ ⁽¹⁾	No. Granted	No. Vested at June 30, 2009
Directors							
Robert Behets	Corporation	November 28, 2008	June 30, 2010	2.50	0.065	600,000	600,000
	Corporation	November 28, 2008	June 30, 2010	3.50	0.099	600,000	cancelled
	Corporation	April 29, 2009	December 31, 2010	1.65	1.550	600,000	-
Matthew Yates	Corporation	November 28, 2008	June 30, 2010	2.50	0.065	600,000	600,000
	Corporation	November 28, 2008	June 30, 2011	3.50	0.099	600,000	cancelled
	Corporation	April 29, 2009	December 31, 2010	1.65	1.550	600,000	-
Executives							
Tony Devlin	Corporation	June 27, 2008	December 31, 2010	3.00	2.111	500,000	500,000
	Corporation	June 27, 2008	June 30, 2011	3.50	2.131	500,000	cancelled
	Corporation	June 27, 2008	September 30, 2011	4.50	2.001	500,000	cancelled
	Corporation	December 3, 2009	December 31, 2010	1.65	0.740	500,000	-
	Corporation	December 3, 2009	June 30, 2010	2.50	0.430	500,000	500,000

Note:

- (1) The fair value of the stock options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the valuation model used for stock options granted to key management personnel during the year ended June 30, 2009:

	\$1.65 Unlisted Options	\$1.65 Unlisted Options	\$2.50 Unlisted Options	\$2.50 Unlisted Options	\$3.00 Unlisted Options	\$3.50 Unlisted Options	\$3.50 Unlisted Options
Exercise price	\$1.65	\$1.65	\$2.50	\$2.50	\$3.00	\$3.50	\$3.50
Share price on date of grant	\$1.66	\$2.70	\$0.64	\$1.66	\$3.77	\$0.64	\$3.77
Share price at June 30, 2009	\$3.77	\$3.77	\$3.77	\$3.77	\$3.77	\$3.77	\$3.77
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Volatility	85%	85%	85%	85%	85%	85%	85%
Risk-free interest rate	2.68%	3.08%	3.35%	2.68%	4.03%	3.35%	4.03%
Grant date	March 12, 2009	April 29, 2009	November 28, 2008	March 12, 2009	June 30, 2009	November 28, 2008	June 30, 2009
Expiry date	December 31, 2010	December 31, 2010	June 30, 2010	June 30, 2010	December 31, 2010	June 30, 2011	June 30, 2011
Expected life of option (yrs)	1.81	1.67	1.59	1.30	1.50	2.59	2.00
Fair value at grant date	\$0.74	\$1.55	\$0.065	\$0.43	\$1.83	\$0.099	\$1.86
Number of options granted	850,000	1,200,000	1,200,000	850,000	300,000	1,200,000	300,000
Vesting date	March 31, 2010	March 31, 2010	December 31, 2008	March 12, 2009	December 31, 2009	June 30, 2010	June 30, 2010
Vesting period (yrs)	1.04	0.92	0.5	Nil	0.5	1.5	1.0
Expensed at June 30, 2009	Yes (pro-rata)	Yes (pro-rata)	Yes	Yes	Yes (pro-rata)	Yes	Yes (pro-rata)

Option Based Awards

Option based awards are considered as components of both short term and long term incentive compensation. Options are issued to key management personnel at the discretion of the Board on the basis that the Corporation is not currently of a size, nor are its affairs of such complexity to justify the formation of a separate compensation committee. Options vest upon the optionholder remaining employed by the Corporation for a specified period of time. Previous grants of option-based awards are taken into account when considering new grants.

All options are exercisable for fully paid ordinary shares in the capital of the Corporation.

Outstanding share-based awards and option-based awards

The following table summarises the number and value of all option and share-based awards outstanding for each Named Executive Officer at the end of the most recently completed financial year, including awards granted before the most recently completed financial year:

Name and Principal Position	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options #	Option exercise price A\$	Option expiration date	Value of unexercised in-the-money options A\$	Number of shares or units of shares that have not vested #	Market or payout value of share-based awards that have not vested #
Robert Arthur Behets	500,000	\$0.35	June 30, 2010	1,710,000	-	-
Joint Managing Director	600,000	\$1.65	December 31, 2010	1,272,000	-	-
	600,000	\$2.50	June 30, 2010	762,000	-	-
Matthew Giles Yates	600,000	\$1.65	December 31, 2010	1,272,000	-	-
Joint Managing Director	600,000	\$2.50	June 30, 2010	762,000	-	-
Luke Andrew Watson	75,000	\$2.50	June 30, 2010	95,250	-	-
Company Secretary and Chief Financial Officer						
Anthony Charles Devlin	500,000	\$1.65	December 31, 2010	1,060,000	-	-
Country Manager	500,000	\$2.50	June 30, 2010	635,000	-	-
	500,000	\$3.00	December 31, 2010	385,000	-	-

Incentive plan awards – value vested or earned during the year

It is noted that the aggregate dollar value for each of the Named Executive Officers that would have been realised, had the underlying option-based awards been exercised on the vesting dates, under incentive plan awards during the most recently completed financial year was nil.

Securities Authorised for Issuance Under Equity Compensation Plans

The following table sets out information in respect of compensation plans under which equity securities of the Corporation are authorised for issuance at June 30, 2009.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	-	-	-
Equity compensation plans not approved by securityholders	8,300,000	2.07	-

The 8,300,000 options referred to above were not granted pursuant to any formal option plan or similar compensation arrangement, however it is noted that 2,900,000 options granted to the Joint Managing Directors during the year were approved by Shareholders at a General Meeting.

Compensation of Non-Executive Directors

The following table sets out all amounts of compensation provided to the directors for the Corporation's most recently completed financial year:

Name	Fees earned A\$	Share-based awards A\$	Option-based awards A\$	Non-equity incentive plan compensation A\$	Pension value A\$	All other compensation A\$	Total A\$
Ian Peter Middlemas	50,000	-	-	-	-	-	50,000
Colin Henri Steyn	40,000	-	-	-	-	-	40,000
Mark Laurence Pearce	15,000	-	-	-	-	-	15,000

During the most recently completed financial year, in addition to the compensation arrangements for the Named Executive Officers, each non-executive director received fees for their services as directors. With respect to payments made to non-executive directors, each receives a fixed fee of between A\$15,000 and A\$50,000 per annum. The Corporation's Constitution provides that non-executive directors may collectively be paid an amount not exceeding the aggregate maximum of A\$250,000 per annum which has been determined by the Corporation's shareholders. Should the non-executive directors provide services over and above those expected of such a position, the Corporation will provide reasonable remuneration for those services. During the financial year ended June 30, 2009 no such services were provided.

To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Corporation and have in limited circumstances received options. The Corporation's non-executive directors' did not receive any options as remuneration during the year ended June 30, 2009.

Employment Contracts

Mr. Robert Behets, Joint Managing Director, has a contract of employment with Mantra Resources Limited. The contract specifies the duties and obligations to be fulfilled by the Managing Director. The contract has a rolling annual term and may be terminated by either party giving 2 months notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties. Effective March 1, 2009, Mr. Behets' cash remuneration was reduced and he now receives a fixed remuneration component of \$250,000 per annum (previously \$325,000) plus superannuation (9%). In accordance with his contract, Mr. Behets was granted a cash bonus of \$50,000 for the year ended June 30, 2008 after achieving key performance indicators which were set by the Board at the start of the year.

Mr. Matthew Yates, Joint Managing Director, has a contract of employment with Mantra Resources Limited. The contract specifies the duties and obligations to be fulfilled by the Joint Managing Director. The contract has a rolling annual term and may be terminated by either party giving 2 months notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties. Effective March 1, 2009, Mr. Yates' cash remuneration was reduced and he now receives a fixed remuneration component of \$250,000 per annum (previously \$325,000) plus superannuation (9%).

Mr. Tony Devlin, Country Manager - Tanzania, has a contract of employment with Mantra Tanzania Limited. The contract specifies the duties and obligations to be fulfilled by the Country Manager - Tanzania. The contract has no fixed term and may be terminated by either party giving 2 months notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties. Effective March 1, 2009, Mr. Devlin's cash remuneration was reduced and he now receives a fixed remuneration component of US \$300,000 per annum plus pension (10%). In accordance with his contract, Mr. Devlin is eligible to receive cash bonuses after achieving various key performance indicators. Mr. Devlin has not been granted or paid any cash bonuses for the year ended June 30, 2009.

Mr. Luke Watson, Company Secretary and Chief Financial Officer, has a contract of employment with Mantra Resources Limited. The contract specifies the duties and obligations to be fulfilled by the Company Secretary. The contract has no fixed term and may be terminated by either party giving 2 months notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties. Since July 1, 2008, Mr. Watson has received a fixed remuneration component of \$150,000 per annum plus superannuation (9%).

The Corporation has entered into standard protection deeds (the "Deeds") with each of its directors and certain of its officers which provide for, amongst other things, an indemnity of the directors and officers, to the extent permitted by law, against any liability which they may incur while carrying out duties as directors or officers of the Corporation, access to documents of the Board of the Corporation and the provision of directors' and officers' insurance.

Other than the agreements described above, the Deeds and the payment of directors' fees, there are no employment contracts or other arrangements in existence between the Corporation or its subsidiaries and any director or officer of the Corporation and

there is no arrangement or agreement made between the Corporation and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that Officer's resignation, retirement, or other termination of employment, or in the event of a change of control of the Corporation or a change in the NEO's responsibilities following such a change of control.

Pension Plan Benefits

The Corporation does not have a pension plan and has not provided for any pension plan benefits, other than statutory superannuation, to its Named Executive Officers. Executives receive superannuation contributions, currently at 9% for Australian employees and 10% for the Tanzanian employees, and do not receive any other retirement benefit.

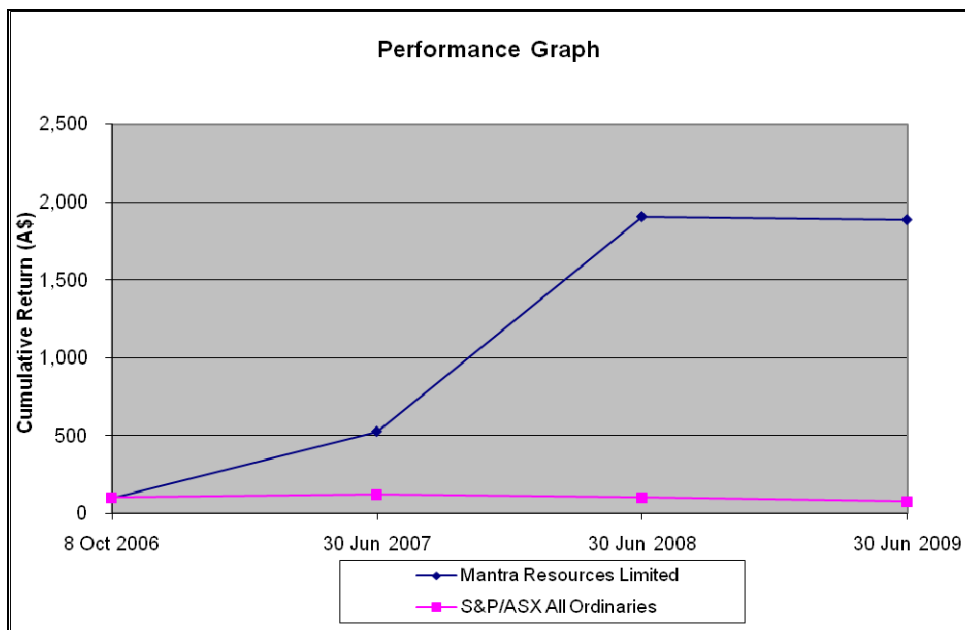
Compensation of Remuneration Committee

The Corporation does not currently have a Remuneration Committee, however the Corporation is currently undertaking a review of its corporate governance framework and expects to establish such a committee in the coming months.

Performance Graph

The following performance graph shows the cumulative shareholder return of Mantra for the last four most recently completed financial years compared to the S&P/ASX All Ordinaries Index.

The table below the graph shows what a A\$100 investment in Mantra Shares and the S&P/ASX All Ordinaries Index, respectively, made on October 8, 2006 (being the day before Mantra commenced trading on the ASX) would be worth at June 30, 2007, 2008 and 2009, following the initial investment.



	October 9, 2006	June 30, 2007	June 30, 2008	June 30, 2009
	\$	\$	\$	\$
Mantra Resources Limited	100.00	525.00	1,905.00	1,885.00
S&P / ASX All Ordinaries Index	100.00	122.24	103.29	76.47

LEGAL MATTERS

Certain legal matters relating to the distribution of the Ordinary Shares pursuant to this short form prospectus will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Corporation and by Miller Thomson LLP on behalf of the Agents. As of the date of this prospectus, the partners and associates of Blake, Cassels & Graydon LLP, as a group, and the partners and

associates of Miller Thomson LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the securities of the Corporation.

INTEREST OF EXPERTS

Information of a scientific or technical nature regarding the Corporation's properties included by reference into this short form prospectus is based upon the Technical Report. Malcolm Titley, the author of the Technical Report is an independent consultant to the Corporation and a Qualified Person under national instrument 43-101 and does not have an interest in the properties of the Corporation.

With respect to the auditors, Deloitte Touche Tohmatsu has advised the Corporation that they have not contravened the independence requirements as set out in the Australian Corporations Act 2001 and APES 110 Code of Ethics for Professional Accountants.

None of the aforementioned persons is currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of an associate or affiliate of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors for the Corporation are Deloitte Touche Tohmatsu, independent chartered accountants, located at Woodside Plaza Level 14 240 St. Georges Terrace Perth, Western Australia 6000.

Computershare Investor Services Inc. and Computershare Investor Services Pty Ltd. are the Corporation's transfer agents and registrars for its Shares. Computershare Investor Services Inc. is located at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1. Computershare Investor Services Pty Ltd. is located at Level 2, 45 St. Georges Terrace Perth, Western Australia, 6000.

PURCHASERS' RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

Dated: December 16, 2009

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(Signed) *Matthew Yates*
Chief Executive Officer

(Signed) *Luke Watson*
Chief Financial Officer

On behalf of the Board of Directors

(Signed) *Robert Behets*
Joint Managing Director

(Signed) *Mark Pearce*
Director

CERTIFICATE OF THE AGENTS

Dated: December 16, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

HAYWOOD SECURITIES INC.

By: (Signed) *Kevin Campbell*
Kevin Campbell

GMP SECURITIES L.P.

By: (Signed) *Mark Wellings*
Mark Wellings

DUNDEE SECURITIES CORPORATION

By: (Signed) *Richard Cohen*
Richard Cohen