ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 OCTOBER 2009

INFILL DRILLING DELIVERS MORE STRONG RESULTS AT NYOTA

Highlights:

- **Infill drilling further confirms continuity of mineralised zones at the Nyota Prospect;**
- **All mineralisation intersected at shallow depths; and**
- **A record thickness in drilling to date with an intercept of 60 metres @ 788 ppm eU_3O_8 from surface.**

The Directors of Mantra Resources Limited ('Mantra' or 'the Company') are pleased to announce the latest set of results from the 2009 infill drilling program at the Company's Nyota Prospect ('Nyota' or 'the Prospect'), part of the wholly owned Mkuju River Project ('MRP' or 'the Project') in southern Tanzania. The Prospect currently hosts an Inferred Mineral Resource estimate ('MRE') of 35.9 million pounds U_3O_8 reported in accordance with the JORC Code.

This announcement delivers the results of a further 40 aircore/open-hole and 9 diamond holes of infill drilling at Nyota. These results further demonstrate the continuity of both the thickness and grade of the mineralised zones within the current resource areas.

Multiple zones of mineralisation have been recorded from surface, with thicknesses up to 60 metres, which is the thickest intercept yet recorded at Nyota. Select intercepts include:

Hole No.	Down Hole Intercept	From Depth (Down Hole)
MNDA0127	60m @ 788 ppm eU_3O_8	surface
MNAA0249	44m @ 575 ppm eU_3O_8	8m
MNAD0035	45m @ 456 ppm eU_3O_8	surface
MNCD0023	54m @ 339 ppm eU_3O_8	5m
MNAA0240	40m @ 412 ppm eU_3O_8	12m
MNDA0117	50m @ 320 ppm eU_3O_8	12m
MNCD0018	27m @ 554 ppm eU_3O_8	1m
MNDA0115	27m @ 543 ppm eU_3O_8	surface
MNAA0250	41m @ 318 ppm eU_3O_8	12m
MNAA0262	19m @ 603 ppm eU_3O_8	26m
MNAA0252	35m @ 325 ppm eU_3O_8	18m

The infill program has now been completed, with a total of 357 aircore/open-hole drill holes for 20,200 metres and 71 diamond holes for 3,700 metres drilled. The data obtained from this program will form the basis for a revised MRE, which aims to upgrade the resource classification of a significant portion of the current Inferred MRE to the Indicated category. The revised MRE is anticipated to be completed and announced in late November.

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Introduction

Mantra is pleased to report the latest set of results from the 2009 infill drilling program at the Company's wholly owned MRP in southern Tanzania (Figure 1).

Following the completion of a 40,000m drilling program in late 2008, an Inferred MRE of 35.9 million pounds U_3O_8 (39.9 million tonnes at 409 ppm) was estimated at Nyota (Figure 2) in early 2009 (refer ASX Announcement dated 2 February 2009). The current MRE was used as a base case scenario for the Scoping Study completed in June 2009 which supports the technical and economic viability of the MRP and its potential to generate strong cash margins.

The Company has commenced a Pre-Feasibility Study ('PFS') and committed to large drilling and trenching programs that started in May.

Figure 1: Mkuju River Project - Location Map

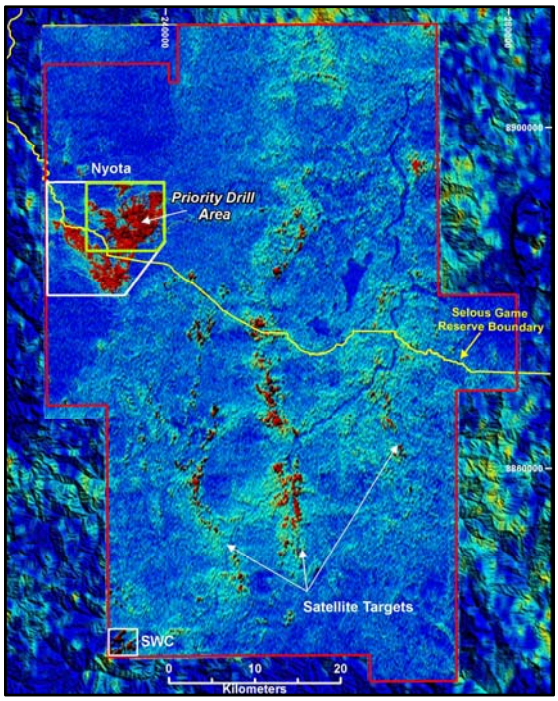

Figure 2: Mkuju River Project - Airborne Radiometric Image and Prospect Locations

Infill Drilling Program

The infill drilling program was completed at Nyota in October and focused on providing sufficient data to upgrade the resource classification of a significant portion of the current Inferred MRE to the Indicated category. This revised MRE is expected to be completed and announced in late November.

The program was designed to close the existing offset 100m by 100m drill pattern down to a notional 50m by 50m pattern, and also included a 'cross' of close spaced (10 – 20m) drill holes to assist statistical analysis of the variability of the mineralisation. In total, 357 aircore/open-hole holes for 20,200m and 71 diamond holes for 3,700m were drilled.

Drilling Results

The results of 40 aircore/open-hole and 9 diamond drill holes, representing the third set of results from the infill drilling program, are reported herein. These holes were drilled within the three large resource areas in the central and eastern portions of the Prospect area. The current MRE's for these resource areas are 11.0 Mlbs (12.3 Mt @ 405 ppm), 7.1 Mlbs (7.8 Mt @ 416 ppm) and 6.4 Mlbs (6.2 Mt @ 475 ppm) U_3O_8 respectively (Figure 3).

The results are based on down-hole gamma logging data and are presented as "equivalent" U_3O_8 grades or eU_3O_8.

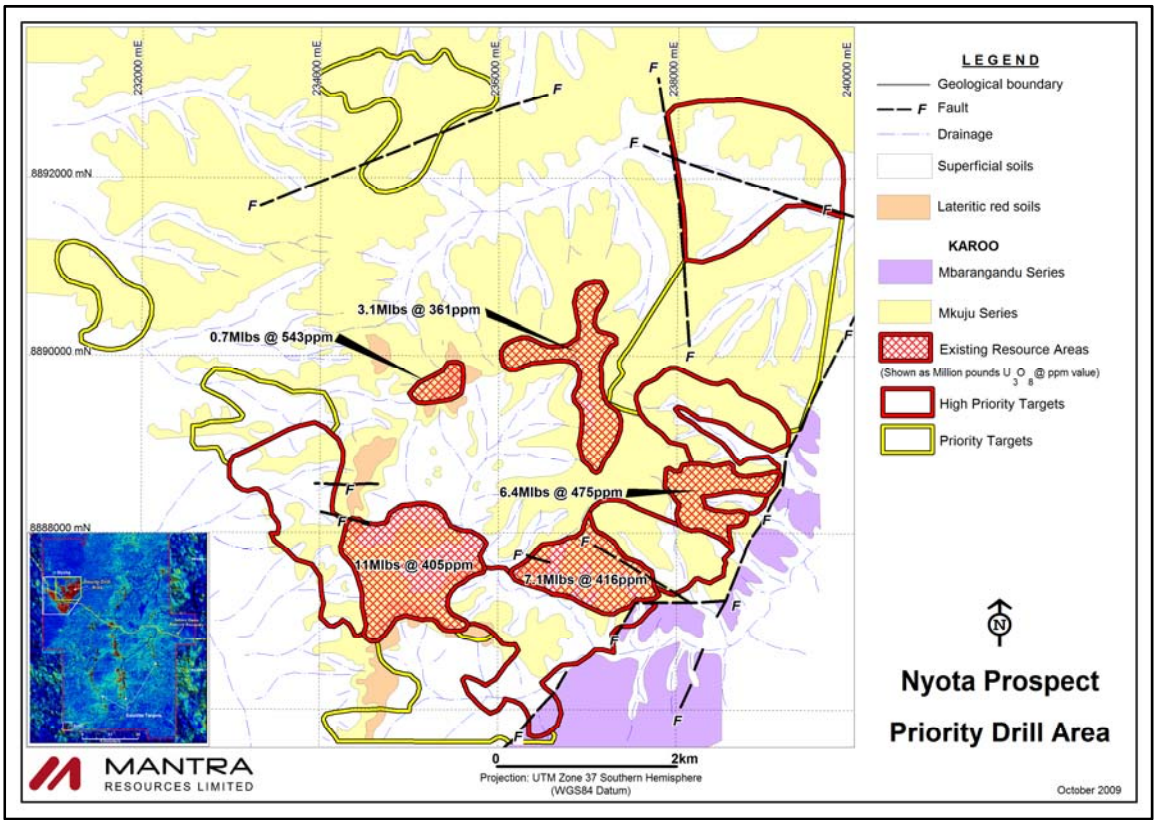

Figure 3: Nyota Prospect – Initial Resource Infill Drilling Areas

The mineralisation intersected in the infill holes reported herein, and those reported previously, has shown good continuity of both thickness and grade between the previous broader spaced drill holes within the three resource areas (Figure 4). Multiple thick zones of mineralisation have been recorded at shallow depths (from surface) in each resource area, with thicknesses up to 60m (Figure 5). The latter intercept is the thickest recorded to date at Nyota. Select intercepts (quoted as down-hole intercepts which approximate true widths) include:

Hole No.	*Down Hole Intercept*	*From Depth (Down Hole)*
MNDA0127	***60m @ 788 ppm eU_3O_8***	***surface***
MNAA0249	***44m @ 575 ppm eU_3O_8***	***8m***
MNAD0035	***45m @ 456 ppm eU_3O_8***	***surface***
MNCD0023	***54m @ 339 ppm eU_3O_8***	***5m***
MNAA0240	***40m @ 412 ppm eU_3O_8***	***12m***
MNDA0117	***50m @ 320 ppm eU_3O_8***	***12m***
MNCD0018	***27m @ 554 ppm eU_3O_8***	***1m***
MNDA0115	***27m @ 543 ppm eU_3O_8***	***surface***
MNAA0250	***41m @ 318 ppm eU_3O_8***	***12m***
MNAA0262	***19m @ 603 ppm eU_3O_8***	***26m***
MNAA0252	***35m @ 325 ppm eU_3O_8***	***18m***

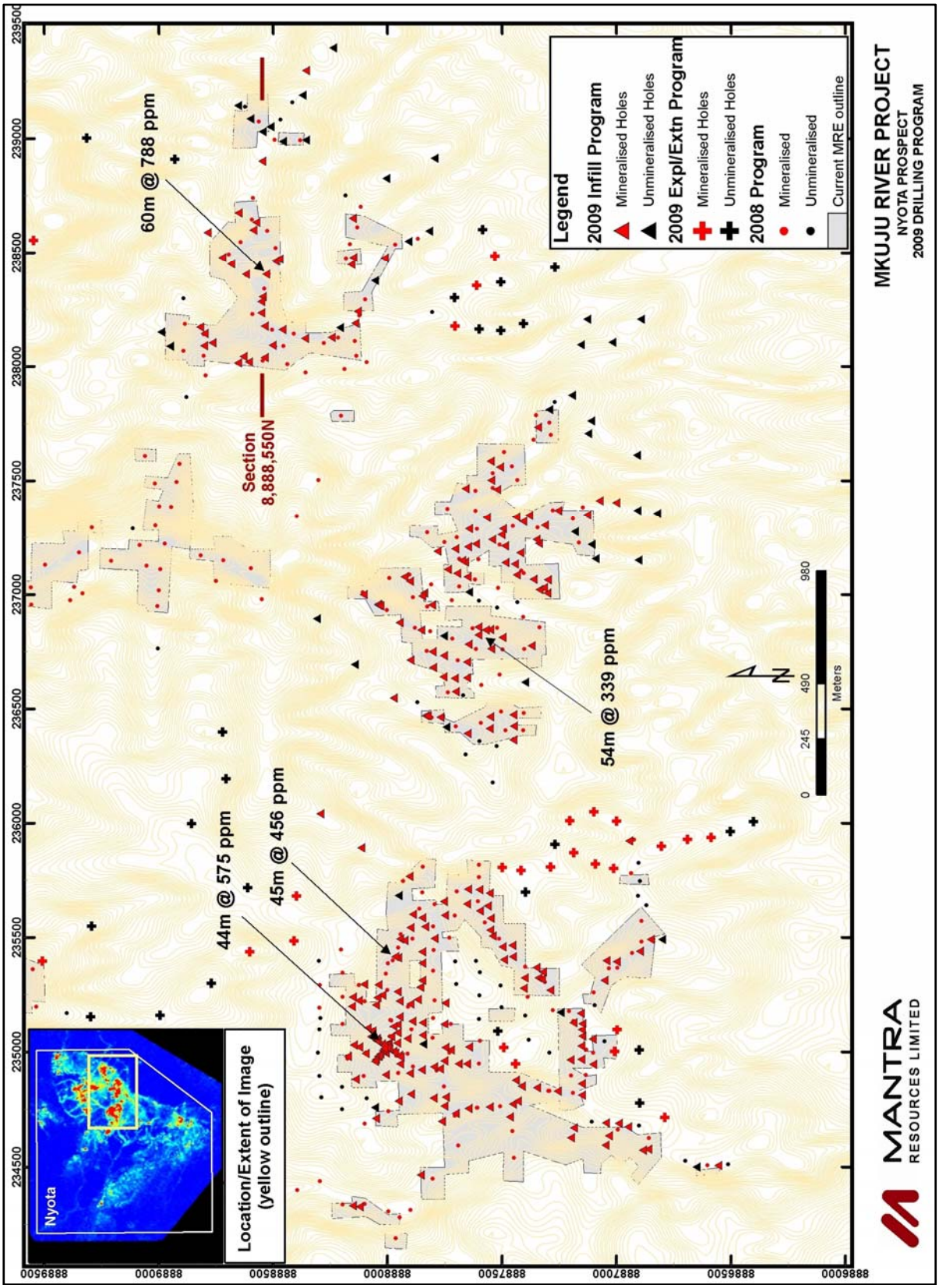

Figure 4: Nyota Prospect – Resource Infill Drilling Plan

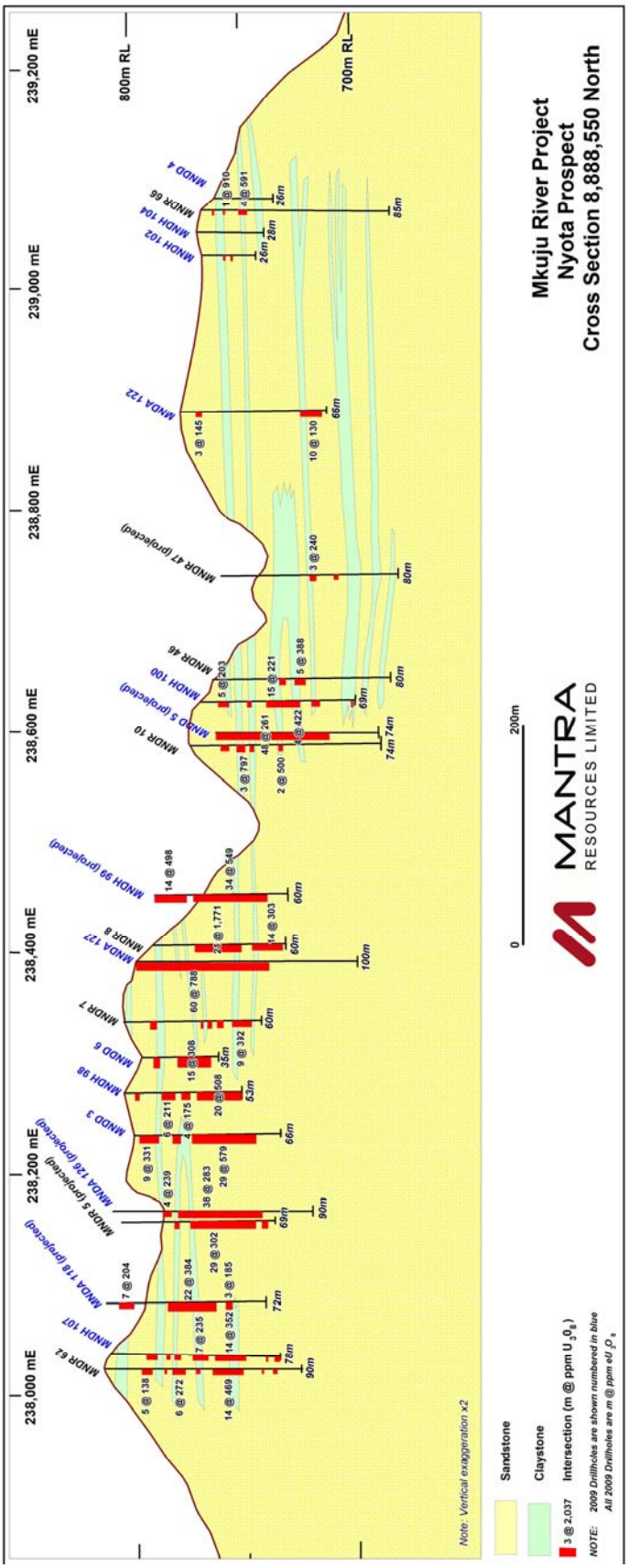

Figure 5: Nyota Prospect – Geological Cross Section

All significant intersections returned from the new drill holes, along with the details of the collar positions and depths, are summarised in Tables 1 to 2.

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Behets, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Behets is a full-time employee of Mantra Resources Limited. Mr Behets has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr Behets consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to in-situ Mineral Resources is based on information compiled by Malcolm Titley of CSA Global Pty. Ltd. Malcolm Titley takes overall responsibility for the Report. He is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Malcolm Titley consents to the inclusion of such information in this Report in the form and context in which it appears.

Table 1: Summary of New Significant Aircore / Open-hole Drill Intersections

HoleID	Northing (m)	Easting (m)	Elevation (m)	Depth (m)	From (m)	To (m)	Interval (m)	eU_3O_8 (ppm)
MNDH0111	8888800	238148	810	70	42	51	9	148
MNDH0112	8888683	238454	776	65	26	32	6	188
					36	42	6	124
MNDA0113	8888786	238591	745	100	4	6	2	111
					21	26	5	106
					37	40	3	102
MNDA0114	8888817	238689	726	80	Hole collapsed			
MNDA0115	8888473	238475	790	100	0	27	27	543
					31	48	17	170
					55	73	18	113
MNDA0116	8888721	238481	774	90	5	7	2	123
					13	19	6	114
MNDA0117	8888619	238409	796	100	12	62	50	320
					65	70	5	119
					73	76	3	137
MNDA0118	8888502	238097	814	72	6	13	7	204
					28	50	22	384
					54	57	3	185
MNDA0119	8888818	238176	806	100	44	47	3	131
MNDA0120	8888004	238827	783	66	No significant intercepts			
MNDA0121	8887794	238915	742	62	No significant intercepts			
MNDA0122	8888549	238903	777	66	7	10	3	145
					54	64	10	130
MNDA0123*	8888357	239298	748	70	6	11	5	141
					29	31	2	123
					54	62	8	115
MNDA0124	8888371	239192	760	70	No significant intercepts			
MNDA0125	8888238	239398	745	70	No significant intercepts			
MNDA0126*	8888537	238179	811	90	23	27	4	239
					30	68	38	283
					Hole blocked at 68m			
MNDA0127*	8888530	238407	799	100	0	60	60	788
					Hole blocked at 60m			
MNDA0128	8888989	238153	784	75	No significant intercepts			
MNDA0129	8888950	238092	792	37	No significant intercepts			
MNAA0240*	8887975	235002	811	68	0	3	3	126
					12	52	40	412
					56	63	7	137
MNAA0241	8887975	235002	811	68	3	19	16	192

Table 1: Summary of New Significant Aircore / Open-hole Drill Intersections *cont..*

HoleID	Northing (m)	Easting (m)	Elevation (m)	Depth (m)	From (m)	To (m)	Interval (m)	eU_3O_8 (ppm)
MNAA0242	8887976	235063	801	65	Hole blocked at 8m			
MNAA0243	8887967	234997	811	84	18	45	27	186
MNAA0244*	8887950	234986	811	85	17	26	9	247
					34	36	2	130
					55	62	7	179
					68	76	8	333
MNAA0245	8887942	234980	811	85	13	27	14	672
					32	37	5	264
					58	63	5	164
MNAA0246*	8887957	235085	797	66	19	21	2	325
					35	37	2	218
					43	45	2	201
					53	56	3	381
MNAA0247	8887995	235039	803	67	11	29	18	221
					32	34	2	166
MNAA0248	8888002	235031	804	63	13	31	18	471
					34	40	6	127
MNAA0249*	8888024	235036	802	65	8	52	44	575
MNAA0250*	8888017	235030	805	66	12	53	41	318
MNAA0251	8887992	235014	810	65	15	47	32	271
MNAA0252*	8888000	235019	808	66	18	53	35	325
MNAA0253*	8888020	235008	805	61	12	29	17	201
					35	54	19	528
MNAA0254	8888032	234992	802	63	3	18	15	415
					37	52	15	225
MNAA0255*	8888038	234984	801	64	2	4	2	146
					7	16	9	307
					42	45	3	431
MNAA0256*	8888014	235016	806	61	9	29	20	470
					Hole blocked at 29m			
MNAA0257	8888008	235025	806	63	Hole collapsed			
MNAA0258	8888050	234968	799	57	11	14	3	125
					20	22	2	252
					36	41	5	160
					46	48	2	184
MNAA0259*	8888055	234960	798	57	4	13	9	280
					33	48	15	160

Table 1: Summary of New Significant Aircore / Open-hole Drill Intersections *cont..*

HoleID	Northing (m)	Easting (m)	Elevation (m)	Depth (m)	From (m)	To (m)	Interval (m)	eU_3O_8 (ppm)
MNAA0260	8888042	235045	800	62	7	19	12	240
					23	27	4	231
					35	51	16	596
MNAA0261	8888048	235051	798	62	6	16	10	201
					Hole blocked at 30m			
MNAA0262*	8888065	235063	794	46	4	14	10	251
					26	45	19	603
MNAA0263*	8888071	235067	793	42	1	19	18	413
					22	26	4	324
					30	37	7	763
					40	42	2	109

Table 2: Summary of New Significant Diamond Drill Intersections

Drill Hole ID	Northing (m)	Easting (m)	Elevation (m)	Depth (m)	From (m)	To (m)	Interval (m)	eU_3O_8 (ppm)
MNAD0034*	8887795	235499	752	46	0	29	29	198
					Hole blocked at 29m			
MNAD0035*	8887967	235419	786	46	0	45	45	456
MNCD0018	8887849	236996	759	60	1	28	27	554
MNCD0019	8887673	237150	770	41	1	29	28	290
MNCD0020	8887547	237505	778	46	13	15	2	193
					25	32	7	729
					37	38	1	296
MNCD0021*	8887502	237266	786	62	16	25	9	359
					36	50	14	262
MNCD0022	8887316	237032	767	41	0	5	5	387
					16	23	7	206
					29	31	2	133
MNCD0023	8887571	236848	769	61	5	59	54	339
MNCD0024	8887825	236474	796	36	13	21	8	237
					25	29	4	322
					32	35	3	134

Notes to all tables:

1. *Uranium results are reported as parts per million (ppm) equivalent U_3O_8 (eU_3O_8) grades as derived from down-hole gamma ray logging. The down-hole logging was undertaken by Mantra personnel under the supervision of geophysical consultant Mr Andrew Boyd (Integrated Geophysical Solutions), with daily QA/QC procedures in place. Equivalent U_3O_8 results may be affected by local disequilibrium caused by the mobility of uranium. A disequilibrium factor derived from all chemical assay data within the Prospect has been applied to the eU_3O_8 results. While local variation between chemical assay U_3O_8 and the gamma logging derived eU_3O_8 values will exist, it is considered that the eU_3O_8 value provides a representative estimate of the U_3O_8 grade within the Prospect. Further refinement of local disequilibrium factors will continue with ongoing collection of assay and down-hole gamma ray logging data.*
2. *Following review of the large dataset of comparative assay and down-hole gamma data from the 2008 drilling program, the Company is satisfied with the veracity of the down-hole logging data. Accordingly, the combination of open-hole drilling and down-hole gamma logging is being used for the 2009 resource infill drilling program. The down-hole gamma logging process is subjected to comprehensive QA/QC procedures and analysis on an ongoing basis. In addition, a minimum of 10% of the resource infill holes are being drilled and sampled using the aircore method, as well as being logged using the down-hole gamma probe. This allows a comparative study of the eU_3O_8 and U_3O_8 data to be undertaken as part of the ongoing QA/QC analysis.*
3. *All of the holes in the 2009 exploration/extension drilling program are being drilled and sampled using the aircore drilling method, as well as being logged using the down-hole gamma probe. This allows a comparative study of the eU_3O_8 and U_3O_8 data to be undertaken as part of the ongoing QA/QC analysis and any local variations in equilibrium-disequilibrium characteristics to be identified and adjustments to eU_3O_8 factors to be made.*
4. *Co-ordinates are in UTM grid (WGS 84 Zone 37S) and have been measured by DGPS (+/- 1m accuracy).*
5. *All holes were drilled vertically.*
6. *Drill intersections are calculated using a 100 ppm U_3O_8 lower cut-off and reported when grade by thickness for an intersection is greater than 200 ppm metres.*
7. *Geological units are flat lying to shallowly dipping so reported intervals approximate true widths.*
8. *The maximum depth of down-hole gamma logging may be less than the 'end of hole' drilling depth due to partial collapse and 'blocking' of the hole prior to geophysical logging being completed.*
9. *The Company has elected not to sample and assay the diamond core drilled as part of the resource infill program as the material is to be used to produce representative bulk samples for metallurgical and comminution testwork to be undertaken as part of the PFS and BFS. Furthermore, sampling the core in a representative manner would have proven difficult, due to the friable nature of the material.*
10. ** denotes drill holes in which mineralisation is recorded at the 'end of down-hole gamma logging' depth.*
11. *10,000 ppm = 1%*