

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 12 MARCH 2008

ALLIANCE WITH STRATEGIC INVESTOR AND PLACEMENT TO RAISE \$24 MILLION

*The Board of Mantra Resources Limited (“**Mantra**” or “**Company**”) is pleased to announce that it has agreed to enter into an alliance with Highland Park S.A (“**Highland Park**”) who will also become a strategic investor in the Company. The key investors in Highland Park (“**Highland Park Investors**”) include original founders and former executives of Toronto based LionOre Mining International Limited (“**LionOre**”).*

The Highland Park Investors were instrumental in the founding, growth and development of LionOre into a major international mining house. LionOre was recently acquired for US\$6.3 billion by Norilsk Nickel, the world’s largest nickel mining company.

The alliance and associated placement will provide Mantra with access to the substantial management skills, resources and mining development expertise of the Highland Park Investors as well as significantly strengthening the Company’s financial position, enabling it to fast-track the ongoing exploration and appraisal of its existing portfolio of uranium projects.

The Board is delighted to have entered into this alliance and believe that it will greatly enhance the Company’s ability to fulfil its strategic objective of becoming a significant uranium producer in the near-term.

The associated placement will involve an equity placement of 12.0 million shares at \$2.00 each to Highland Park and its nominees to raise a total of \$24.0 million. The new shares will be issued with a one for three listed option (existing class) for no further consideration and will be issued in two tranches. Mantra will immediately issue the first tranche of 6.7 million shares and 2.23 million listed options and then seek shareholder approval to issue the second tranche of a further 5.3 million shares and 1.77 million listed options.

Mantra is an emerging uranium explorer in southern Africa and has recently announced significant drilling results from its Nyota and NW Trend Prospects (located within the Company’s Mkuju River Project in southern Tanzania) which confirm the presence of multiple thick, high grade zones of sandstone-hosted uranium mineralisation. The alliance with Highland Park announced today provides Mantra with the mining development expertise and additional financial resources to aggressively fast-track the exploration, appraisal and potential development of these outstanding uranium Prospects. In particular the benefits of the alliance to Mantra include:

- *Highland Park will become a cornerstone investor in Mantra;*
- *The Highland Park Investors, which include original founders and former executives of LionOre, will extend access to their management skills, resources and mining development expertise;*



- *The Highland Park Investors will provide access to personnel and resources to help drive Mantra's strategic development moving forward. Mr Colin Steyn, previously CEO of LionOre, will join the Board of Mantra and will work closely with the Company's management in the initial phase to expedite the development of Mantra's assets. Mr Steyn was a Director of LionOre from 1998 and was appointed President and Chief Executive Officer in 1999. Prior to this, Mr Steyn was Executive Director in charge of metallurgical operations in Zimbabwe for Rio Tinto. Mr Steyn holds an MBA from Cranfield University, UK;*
- *The Highland Park Investors will direct and greatly assist Mantra in its marketing and investor relations initiatives and particularly in lifting its profile with Canadian and North American investors; and*
- *Mr Patrick Quirk has agreed to act as a consultant to the Company on strategic issues and growth opportunities. Mr Quirk is a respected international financier and one of the original founders of LionOre.*

As part of the transaction and in consideration of the benefits listed above, Highland Park and its nominees will be granted an additional 6.0 million unlisted options exercisable at \$2.20 at any time up to 30 June 2011, subject to shareholder approval.

Assuming all the options granted to Highland Park and its nominees are exercised, a total of \$38.0 million will be injected into the Company at a weighted average price of \$1.73 per share and Highland Park and its nominees will emerge with an approximate 19.1% interest in the Company (after completion of the merger with Mavuzi Resources Limited on a fully diluted basis).

The Managing Director of Mantra, Mr Robert Behets, said today "The alliance with Highland Park represents an exceptional opportunity for the Company and will provide Mantra with the resources necessary to achieve our strategic objectives. The proven resources, management skills and development expertise of Mr Colin Steyn, who will join our Board, and the other Highland Park Investors, will be invaluable as we strive to expedite the Company's transition from uranium explorer to producer".

Further details about the equity raising and transactions will be included in a Notice of General Meeting to be sent to shareholders shortly.

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