

COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS

During the 2010 financial year, the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

Recommendation Ref	Notification of Departure	Explanation for Departure
2.1	A majority of the Board were not independent Directors (for part of the financial year)	<p>The Board was comprised of a majority of independent Directors for the period from 1 July 2009 – 16 February 2010.</p> <p>From 16 February 2010 – 3 September 2010 the Board was seeking a suitable replacement Director who was both independent and financially literate for the purposes of chairing the Company's Audit Committee. During this period the Board was not comprised of a majority of independent Directors.</p> <p>As at 30 September 2010, the Board considers the following Directors are independent in accordance with the ASX Corporate Governance Council's definition of independence:</p> <ul style="list-style-type: none"> • Mr Ian Middlemas • Mr Colin Steyn (and his alternate, Mr William Smart) • Mr Ted Mayers <p>The Board considers that the Company's affairs are currently not of such complexity to justify the appointment and further expense of additional independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.</p>
2.4	There was no separate Nomination Committee	<p>During the financial year ended 30 June 2010, the Board as a whole undertook the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors.</p> <p>It is noted that a separate Nomination Committee was formed in September 2010 as part of the Board's ongoing reviews of the Company's corporate governance framework.</p>
8.1	There was no separate Remuneration Committee	<p>During the financial year ended 30 June 2010, the Board as a whole was responsible for the remuneration arrangements for Directors and executives of the Company.</p> <p>It is noted that a separate Remuneration Committee was formed in September 2010 as part of the Board's ongoing reviews of the Company's corporate governance framework.</p>

As the Company's activities increase in size, scope and/or nature the Company's corporate governance principles will be reviewed by the Board and amended as appropriate. Furthermore, as the Company strives to make the transition from explorer to uranium producer, the corporate governance framework will be reviewed and improved as required.

The Company's Corporate Governance Statement is available on the Company's website (www.mantraresources.com.au).