MANTRA
RESOURCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS AND MD&A FOR THE THREE MONTHS (FIRST QUARTER) ENDED 30 SEPTEMBER 2010

ABN 26 116 478 703

Consolidated Financial Statements and MD&A for the Three Months (First Quarter) ended 30 September 2010

CORPORATE DIRECTORY

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Mr Ian Middlemas
Mr Peter Breese
Mr Colin Steyn
Mr William Smart (alternate for Colin Steyn)
Mr Robert Behets
Mr Ted Mayers (appointed 3 September 2010)

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The Board of Directors of Mantra Resources Limited presents its report on the consolidated entity of Mantra Resources Limited ('the Company') and the entities it controlled during the quarter ended 30 September 2010 ('Consolidated Entity' or 'Mantra').

INTRODUCTION

The following Management's Discussion and Analysis ('MD&A') should be read in conjunction with the Condensed Consolidated Financial Statements for the three months ended 30 September 2010 which are unaudited. The effective date of this report is 11 November 2010.

This discussion is current at the date of this MD&A. The condensed consolidated financial statements (and the financial information contained in this MD&A) were prepared in accordance with Australian equivalents to International Financial Reporting Standards ('AIFRS') rather than Canadian generally accepted accounting principles ('CGAAP'). All figures are expressed in Australian dollars ('A$') unless otherwise indicated.

Unless the context otherwise requires, references in this MD&A to the 'Company' or 'Mantra' are references to Mantra Resources Limited and its subsidiaries.

Additional information relating to the Company and its business, including the Company's Annual Information Form dated 14 September 2010, is available under the Company's profile on SEDAR at sedar.com.

FORWARD LOOKING STATEMENTS

The following MD&A contains forward looking statements that reflect management's expectations regarding Mantra's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities.

Wherever possible, words such as 'plans', 'expects', 'is expected', 'hopes', 'aims', 'budget', 'scheduled', 'estimates', 'forecasts', 'anticipates', 'believes', 'intends' and similar expressions or statements (including negative variations) that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved have been used to identify these forward looking statements. Although the forward looking statements contained in this MD&A reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Mantra cannot be certain that actual results will be consistent with these forward looking statements.

A number of factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward looking statements. Such factors include, among others, future prices of uranium, the actual results of current and future exploration activities, risks inherent in resource estimates, plant and/or equipment failure, availability of financing, and obtaining Governmental approvals for the mining of uranium.

Forward-looking statements contained in this MD&A are made as of the date of this MD&A and Mantra disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

OVERVIEW SUMMARY

Mantra is a mineral exploration and development company incorporated under the laws of Australia and listed on the Australian Securities Exchange (the 'ASX') under the symbol 'MRU' and the Toronto Stock Exchange (the 'TSX') under the symbol 'MRL'. The Company's principal objective is to become a significant uranium producer in the short to medium term.

Mantra has direct and joint venture interests in a portfolio of uranium exploration tenements in Tanzania and Mozambique. Mantra's principal asset is its wholly owned Mkuju River Project ('MRP' or the 'Project'). The MRP is located in southern Tanzania, some 470km southwest of Dar es Salaam. Mantra's work program at the MRP is aimed at advancing the exploration, appraisal, and potential development of the widespread 'Karoo' sandstone-hosted uranium mineralisation identified within the Project area. Exploration and drilling undertaken to date has confirmed the presence of widespread surface uranium mineralisation and multiple stacked mineralised horizons at shallow depths at the Nyota Prospect.

Figure 1: Mkuju River Project - Location Map

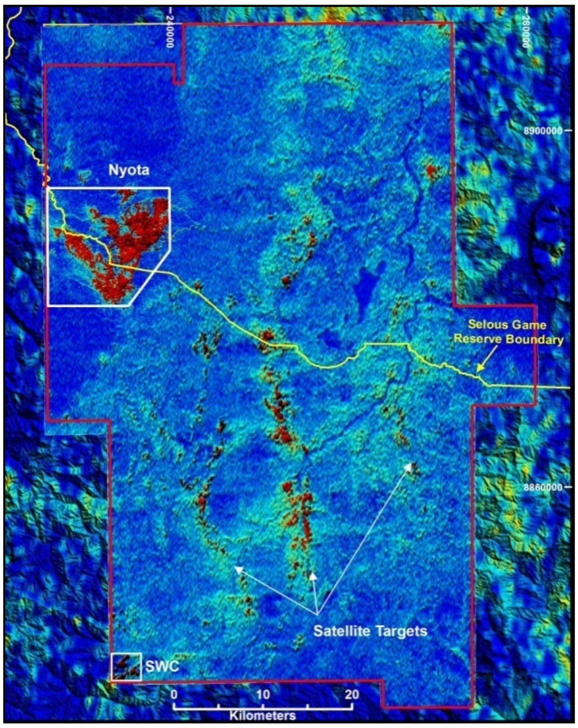

Figure 2: Mkuju River Project - Airborne Radiometric Image and Prospect Locations

Data obtained from an extensive infill and exploration drilling program during 2009 formed the basis for the revised Mineral Resources Estimate ('MRE'), which was completed and released on 27 January 2010:

Mkuju River Project - Nyota Prospect Mineral Resource Estimate as at 26 January 2010			
	Tonnage (million tonnes)	**Grade (U_3O_8 ppm)**	**Contained U_3O_8 (million pounds)**
Indicated Mineral Resource	25.1	515	28.5
Inferred Mineral Resource	57.3	442	55.8

Notes
(1) The resource is estimated at a lower cut-off grade of 200 ppm U_3O_8
(2) All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

The current MRE was used as a base case scenario for the Phase 1 PFS completed in March 2010 which confirmed the technical and economic viability of the MRP and its potential to generate strong cash margins. The Company is currently completing a Definitive Feasibility Study ('DFS') on the Project and intends to move to the development phase once the study has been completed and all key permits have been obtained.

OVERALL PERFORMANCE

Mkuju River Project

During the quarter ended 30 September 2010, the Company continued with the exploration and ongoing development of its wholly owned Nyota Prospect ('Nyota' or the 'Prospect'), part of the larger MRP. Specifically, the Company focussed on the potential development of Nyota. The following key milestones were achieved at the MRP during the quarter:

1. Definitive Feasibility Study

Phase 1 Definitive Feasibility Study

The Company commenced the Phase 1 DFS in early March and appointed DRA Mineral Projects ('DRA') as the Engineering, Procurement, Construction and Management ('EPCM') Contractors. During the quarter, a number of key deliverables have been completed from the DFS Project schedule including:

- The completion of the infill drilling program for the DFS to upgrade the resource classification of portions of the current MRE to the Indicated and Measured categories;
- The completion of the integrated pilot plant campaign testwork at ANSTO in Sydney;
- The design and costing of the labour complement across the entire operation;
- A completed mining fleet design and all associated maintenance infrastructure required to support such a fleet. Included in this mining exercise was the costing and trade-off between owner operator and contract mining;
- The submission of enquiries to suppliers for the detailed capital component of the DFS;
- The commencement of the road construction as part of the early works program; and

- Undertaking an evaluation of the various alternatives for funding the development of the Project and the sale of future uranium production (including uranium marketing and off-take arrangements).

Pilot Metallurgical Testwork Program

The integrated pilot plant was operated for a period of 28 continuous days in March and 22 days in May utilising feed material representative of the first seven years of production. All parameters from the Phase 1 PFS were used as a base case operating scenario.

After the March campaign the performance of the plant was evaluated and key optimisation objectives were set for the May campaign. All the key objectives were met which included:

- A reduction in acid consumption from 12 kg/t down to 6 to 10 kg/t;
- The effective use of in-country sourced limestone for neutralisation;
- The elution circuit was able to perform at ambient temperature; and
- The use of a larger resin bead.

After a series of reviews of the ANSTO metallurgical reports further optimisation of the process flow-sheet was designed into the final DFS Process flowsheet for costing. The final outcome is a highly simplified, single stream metallurgical flowsheet that maximises uranium recovery. This modified flowsheet has increased overall uranium recovery to 82% from the PFS figure of 79%. The modified flowsheet has been designed to process five million tonne per annum. Prior to the leach circuit, all material greater than 1.2mm will be wet screened and rejected. After leaching, classification will take place at a size of 120 micron. The -120 micron material will go to the RIP circuit and the +120 micron material will be filtered, washed to recover dissolved uranium, and then discarded. This process significantly enhances uranium recovery compared to the PFS as it reduces the amount of uranium being discarded to waste.

The reduction in the size of the material going to the RIP circuit, from the PFS level of -250 micron to -120 micron, improves the movement of slurry through the RIP circuit and the separation of resin from the slurry prior to elution. This facilitates the use of smaller resin beads, thereby reducing the consumption of resin in the circuit.

As part of the continued improvement and optimisation process of the metallurgical flowsheet a RIP test rig was built and is in current operation at Mintek to evaluate the screen flux requirements of the RIP circuit. A 20 tonne sample was shipped down to Johannesburg for testing. The campaign is in its final stages of the program and has demonstrated significant improvements in design parameters when compared to the DFS design. These improvements will be incorporated into the detailed design of the RIP circuit.

Phase 2 Heap Leach Preliminary Feasibility Study

A PFS on heap leaching lower grade mined ore for the Project's second phase of growth was initiated as a result of positive results from a heap leach testwork campaign conducted at the ANSTO and SGS facilities in Australia. This Phase 2 growth would be envisaged to commence after the Phase 1 RIP circuit has reached steady state operations.

Phase 1 of the Project is targeting approximately 3.7 million pounds of uranium a year using the RIP metallurgical process. It is envisaged that Phase 2, the heap leaching of lower grade mined ore, would commence after the RIP circuit has reached steady state operations and provide the Project with an incremental increase in production over and above the targeted annual production rate of Phase 1.

(All figures are in Australian dollars unless otherwise indicated)

The initial testwork clearly demonstrated that the lower grade ore is particularly amenable to heap leaching. The results of column testwork, which simulates a heap leaching process, were very encouraging, indicating a uranium recovery rate of approximating 80% in eight days with a low acid consumption of approximately 8 kilograms per tonne. No other reagents were required to achieve final recoveries.

The Heap Leach PFS is due to be completed during the first quarter of 2011 and will include further resource modelling and detailed leaching testwork to allow grade/recovery relationships to be investigated, the minimum cut-off grade for economic treatment of the Nyota orebody to be determined and additional data for engineering, design and costing to be generated. Upon successful completion of the Heap Leach PFS, it is planned to progress to a DFS, which will include integrated metallurgical testwork and an updated Environmental Impact Statement.

Permitting

The Company currently holds a Prospecting Licence covering an area of approximately 200km^2, which includes Nyota.

The Company has been advised that all of the processes required by Tanzanian legislation for the issue of the Environmental Impact Assessment ('EIA') Certificate for the MRP are well advanced.

The Ministry of Energy and Minerals has also advised that all necessary processes with respect to the Special Mining Licence ('SML') are complete and that the Government will issue the SML following the ratification and issuance of the EIA certificate.

The same Ministry has also advised that the publication of the Uranium Mining Regulations is imminent and that these have been included in the proposed new mining regulations to be published and ready for use during November 2010.

Extensive discussions have taken place between the Ministry of Energy and Minerals and Mantra regarding the Mine Development Agreement ('MDA'). These discussions are nearing finalization.

2. Nyota Resource Infill and Exploration Drilling

With the 2010 resource infill and extension drilling program recently completed, the focus has now shifted to the exploration drilling program which will run through until December 2010. In total, the resource infill drilling program comprised approximately 1,660 aircore/open-hole drill holes for 99,100m and 67 diamond drill holes for 4,400m. Multiple thick zones of mineralisation have continued to be recorded at shallow depths (note – please refer to the Company's Quarterly Report to the Australian Securities Exchange dated 29 October 2010, and the News Release dated 10 November 2010, for full details of these results). Select intercepts (quoted as down-hole intercepts which approximate true widths) include:

Hole No.	*Down Hole Intercept*	*From Depth (Down Hole)*
MNAD0053	*21m @ 3,430 ppm eU_3O_8*	*surface*
MNSD0021	*35m @ 1,452 ppm eU_3O_8*	*9m*
MNCD0028	*53m @ 677 ppm eU_3O_8*	*surface*
MNDD0014	*33m @ 1,084 ppm eU_3O_8*	*18m*

The exploration drilling, which commenced in September, will continue the evaluation of a number of priority target areas proximal to the known areas of mineralisation at Nyota (Figure 3). This program will continue until mid-December 2010 and comprise approximately 40,000m of drilling.

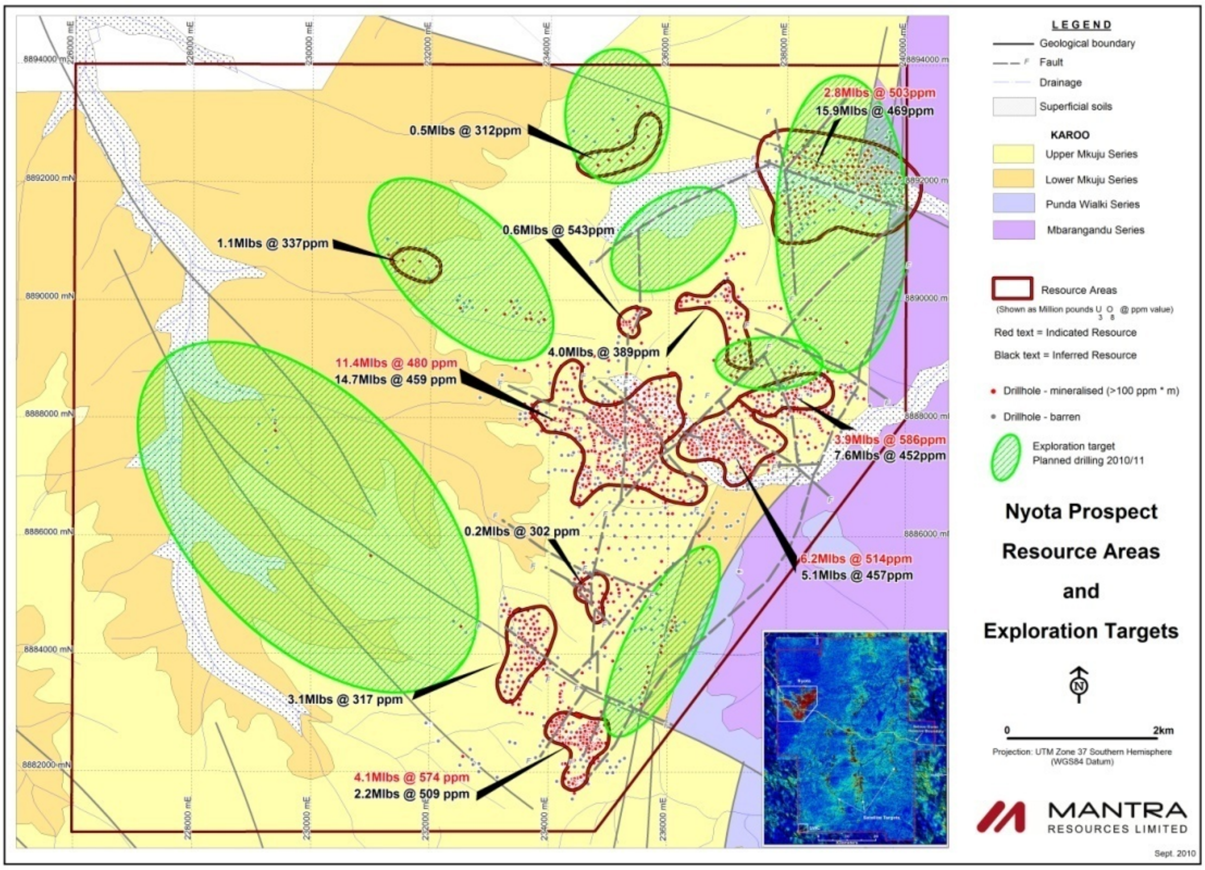

Figure 3: Nyota Prospect – Resource Areas and Exploration Targets

Mantra is aiming to publish an updated MRE in mid-November incorporating the resource infill and extension drilling program results. This updated resource estimate will be included in the Phase 1 DFS, which is expected to be completed by the end of 2010. In addition, a further revised MRE is expected to be completed in the first quarter of 2011 which will incorporate the current exploration drilling program results.

3. MRP Satellite Targets – Reconnaissance Program

Drill testing of the Satellite Targets within the MRP, but outside the Nyota Prospect, resulted in an excellent start to initial appraisal of the MRP Satellite Targets in early 2010. Results included:

- Selective rock chip grab samples up to 1.53% (15,380 ppm) U_3O_8;
- Maximum auger intercepts of 7m @ 2,591 ppm U_3O_8;
- Best trench intercept of 3.2m @ 4,119 ppm U_3O_8; and
- Further indications of the emergence of a new uranium province.

Following on from these initial results, a 3,000m aircore drilling program, designed to test a number of the Satellite Targets located within 30km of Nyota, commenced in mid October.

Regional Exploration – Southern Tanzania and Northern Mozambique

The Company also continued its exploration programmes on its remaining properties in southern Tanzania and northern Mozambique. Highlights include:

- Geological mapping, ground radiometrics and trenching were undertaken at the Matemanga Project which is located 100km to the south of the MRP. Assay results from the trench samples are pending.
- At the Zambezi Valley Project – Mozambique, a follow-up RC drilling program focused on testing for continuations of the mineralisation intersected in 2009 commenced during the quarter. To date, 13 holes for 1,100m have been completed to the north-west of previous drilling. The broad 400m line spaced drilling has intersected intercalated sandstone and mudstone units, with anomalous scintillometer readings being recorded over a maximum interval of 35m. The drill samples have been submitted for assay with the results pending.

Corporate Developments

The following material corporate events occurred during the quarter ended 30 September 2010:

- During September, Mantra appointed Mr Ted Mayers as an independent non-executive director. Based in Canada, Mr Mayers is a Chartered Accountant and has extensive experience as a finance executive in the resources sector, most recently as Chief Financial Officer of Lundin Mining Corporation.

The operating loss of the consolidated entity for the quarter was A$12,364,520, compared to a consolidated net loss of A$6,316,620 for the quarter ended 30 September 2009. This variation in the quarterly net loss between September 2010 and September 2009 is mainly attributable to a significant increase in exploration and development activities at the MRP in 2010 compared to 2009 which resulted in proportionately more exploration expenditure being incurred in 2010. The 2010 activities continued to focus on the Nyota Prospect and the continuation of the Phase 1 DFS, which is expected to be completed and the results released in early 2011.

As Mantra is in the advanced exploration and evaluation stage of development and has not yet commenced mining operations on any of its properties, the Company does not currently have any mining revenues. Until the successful completion of any proposed development, the Company is not expected to have any mining revenues.

Mantra currently has no long term debt obligations.

Outstanding Share Information

As at 10 November 2010 the Company had 130,229,188 fully paid ordinary shares issued and outstanding. The following table sets out the fully paid ordinary shares and unlisted options currently on issue:

As at 10 November 2010	Number
Outstanding shares	130,229,188
Outstanding unlisted options	11,175,806
Outstanding unlisted performance share rights	2,963,988
Total	**144,368,982**

Notes

(1) The unlisted options referred to above were not granted pursuant to any formal option plan or similar compensation arrangement, however it is noted that 2,100,000 options granted to executive directors were approved by Shareholders at General Meetings;

(2) The performance share rights referred to above were approved by shareholders during June 2010, as part of the Company's new remuneration/incentive arrangements. Pursuant to its new Long Term Incentive Plan ('LTIP'), the Company has granted approximately 2.963 million performance share rights to a number of key employees and consultants;

(3) The outstanding unlisted options are convertible into a total of 11.2 million ordinary shares, and are subject to exercise prices ranging from A$1.20 to A$5.50 and expiry dates ranging from 31 December 2010 to 31 December 2013;

(4) The outstanding performance share rights are convertible into a total of 2.963 million ordinary shares, and are subject to exercise prices of Nil (2,663,988 share rights) to A$5.50 (300,000 share rights), and expiry dates ranging from 31 March 2011 to 31 December 2013; and

(5) Since 30 September 2010, the Company has not issued any shares or unlisted options.

(6) Since 30 September 2010, the Company has granted 354,663 performance share rights pursuant to its LTIP.

As at 10 November 2010, Mantra's market capitalisation (based on its trading price on the ASX) was approximately A$788 million (approximately A$873 million calculated on a fully diluted basis including all in-the-money options and performance rights).

CONSOLIDATED FINANCIAL CONDITION COMPARED TO YEAR-END FINANCIAL CONDITION

The following table sets out the Consolidated Entity's financial condition as at 30 September 2010 and compares it to the financial condition as at the most recently completed financial year-end (30 June 2010). The numbers are in accordance with AIFRS and applied on the same basis as the annual financial statements of the Company.

(thousands of A$, except per share amounts, rounded to the nearest hundredth)	Three Months Ended 30 September 2010 Unaudited	Year Ended 30 June 2010 Audited
Interest revenue	997	2,046
Other revenue	Nil	1,592
Net profit/(loss) after tax	(12,365)	(30,196)
Net profit/(loss) per share – basic	(0.09)	(0.26)
Net profit/(loss) per share – diluted	(0.09)	(0.26)
Cash and cash equivalents	66,752	78,694
Total assets	72,783	83,148
Total long-term financial liabilities	Nil	Nil
Cash dividends declared per share	Nil	Nil

SUMMARY OF QUARTERLY RESULTS

The quarterly results for the eight most recently completed quarters are provided below:

	Quarter Ended (Unaudited)							
(thousands of A$, except per share amounts, rounded to the nearest hundredth)	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009	30 Jun 2009	31 Mar 2009	31 Dec 2008
Interest revenue	997	1,010	703	152	181	187	341	418
Net profit/(loss) after tax	(12,365)	(9,284)	(7,304)	(7,291)	(6,317)	(6,350)	(4,106)	(14,358)
Net profit/(loss) per share – basic	(0.09)	(0.07)	(0.06)	(0.07)	(0.06)	(0.07)	(0.05)	(0.18)
Net profit/(loss) per share – diluted	(0.09)	(0.07)	(0.06)	(0.07)	(0.06)	(0.07)	(0.05)	(0.18)
Cash and cash equivalents	66,752	78,694	78,856	67,580	20,909	26,116	23,246	25,515
Total assets	72,783	83,148	81,416	69,758	24,081	27,920	25,204	27,792
Total long-term financial liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The major expense item incurred by the Company in both the September 2010 quarter and the September 2009 quarter was exploration and evaluation expenditure mainly in relation to the ongoing development of the Company's wholly owned MRP.

The key factors that have caused significant variations over the eight most recently completed quarters were:

(i) A gradual and significant increase in exploration and development activities at the MRP which resulted in proportionately more exploration and evaluation expenditure being incurred over the eight quarters as the Company strives to develop the Nyota Prospect in order to fulfil its strategic objective of becoming a significant uranium producer in the near term.

(ii) On 18 November 2009, the company completed its dual-listing on the Toronto Stock Exchange ('TSX') and then received shareholder approval for the following capital raising:

- a public offering of 13,000,000 ordinary shares each at an issue price of C$4.00 to raise C$52 million before costs, that was completed on 24 December 2009; and

- a private placement of an additional 3,800,000 ordinary shares to Highland Park S.A. and AngloPacific Group Plc, each at an issue price of C$4.00 to raise C$15.2 million before costs, that was completed in February 2010.

Combined, the public offering and private placement raised C$67.2 million (approximately A$72.5 million) before costs.

(iii) During the quarter ended 31 December 2008, there was an impairment loss of $7,759,787 charged to the Consolidated Entity's exploration and evaluation assets. Given the Company's strategy of focussing on the development of its wholly owned Nyota Prospect in southern Tanzania, and due to insufficient encouragement from the exploration results obtained, the decision was made to fully impair the value of the Consolidated Entity's non-core exploration assets in Mozambique ($5,300,000), Tanzania ($1,496,104) and Malawi ($963,683).

RESULTS OF OPERATIONS

Quarter ended 30 September 2010 compared to the quarter ended 30 September 2009

The major expense item incurred by the Company in both the September 2010 quarter and the September 2009 quarter was exploration and evaluation expenditure, which is attributable to the Company's accounting policy of expensing exploration and evaluation expenditure incurred by the Company subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest. During the September 2010 quarter Mantra incurred expenses of A$12,410,804 on exploration and evaluation activities, compared to A$7,483,989 incurred during the September 2009 quarter, which also resulted in an increase in the net cash outflow from operating activities in the 2010 period. The increase in exploration and evaluation expenditure in the September 2010 quarter is due to the Company's strategy of aggressively exploring and the ongoing development of its Nyota Prospect at the wholly owned MRP.

As a consequence of the significant increase in exploration activities during 2010, and the Company dual listing on the TSX, corporate and administration expenditure increased by a commensurate amount in comparison to September 2009.

During the September 2010 quarter, the Company incurred non-cash share-based payment expenses of A$2,385,439 in relation to incentive options and performance share rights issued to key management personnel in prior fiscal years, which was classified as exploration and evaluation expenditure. This is attributable to the Company's accounting policy of expensing the fair value of options granted (determined using the Binomial option pricing model) on a straight-line basis over the vesting period of the options. This compares to non-cash share-based payment expenses of A$1,072,135 for the September 2009 quarter.

Interest revenue increased to A$997,059 during the September 2010 quarter (September 2009: A$181,027), however other revenues totalling A$1,582,685 resulted from the divestment of non-core exploration assets in Mozambique during the prior year, which resulted in total revenue for 2009 of A$1,763,712. Consideration for the properties was US $100,000, plus 10 million shares in North River Resources plc, a company listed on London's AIM Market.

LIQUIDITY AND CAPITAL RESOURCES

At 30 September 2010, the Company had cash reserves of A$66.8 million. This amount is sufficient to meet the Company's working capital requirements in relation to exploration programs at its existing uranium projects over the next 12 months and to pursue new business opportunities in the resources and energy sectors. The recommended resource development activities as set out in the technical report on the Project prepared in accordance with NI 43-101 entitled "January, 2010 Resource Update – Mkuju River Project" dated 10 March 2010, which is available under the Company's profile at sedar.com, are budgeted to cost approximately US$7.3 million.

The Company's principal source of cash for the three months ended 30 September 2010 was interest received from cash investments totalling A$997,059.

It is noted that to-date there has not been any material variance with the use of proceeds from the Company's public offering of 13,000,000 ordinary shares that was completed on 24 December 2009, as disclosed in the Final Short Form Prospectus dated 16 December 2009.

The following is a summary of the Company's outstanding commitments as at 30 September 2010:

Contractual Obligations	Payments Due by Period				
(thousands of A$)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long Term Debt	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Operating Leases	-	-	-	-	-
Purchase Obligations	15,272	15,272	-	-	-
Other Long Term Obligations	-	-	-	-	-
Total Contractual Obligations	15,272	15,272	**-**	**-**	**-**

Notes

(1) These future commitments for expenditure relate to ongoing exploration and development activities at the Mkuju River Project in southern Tanzania.

OFF-BALANCE SHEET TRANSACTIONS

The Company has had no off-balance sheet transactions since incorporation.

TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the quarter ended 30 September 2010.

SUBSEQUENT EVENTS

The following significant events occurred after 30 September 2010:

- Pursuant to the Company's LTIP, on 22 October 2010 the Company granted a further 354,663 Performance Share Rights to key employees and consultants of the Company. The Rights do not have an exercise price but are subject to various performance conditions to be satisfied prior to the relevant expiry dates between 31 March 2011 and 31 December 2013. The performance conditions are linked to the key development milestones for the Mkuju River Project during that period.

Other than as disclosed above, there were no significant events occurring after 30 September 2010 requiring disclosure.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The attached financial statements were prepared in accordance with AIFRS. A description of the Company's significant accounting policies is provided in Note 1 to the financial statements. Management is required to make various estimates and judgments in determining the reported amounts of assets, liabilities, revenues and expenses for each period presented and in the disclosure of commitments and contingencies. Management considers the following to be the critical accounting policies which reflect its more significant estimates and judgments used in the preparation of the financial statements. The Company has neither provided nor is required to provide a reconciliation of its financial statements to CGAAP.

It is noted that the Company has not changed any of its significant accounting policies since incorporation in September 2005.

The Company's significant accounting policies are outlined below:

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Consolidated Entity in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the initial acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to acquisition of the rights to explore is expensed as incurred up to the successful completion of definitive feasibility studies. Expenditure in relation to the preparation of definitive feasibility studies is expensed as incurred.

Expenditure is capitalised if the Company has rights to tenure and the Company expects to recoup the expenditures through successful development or sale.

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-Based Payments

Share based payments are provided to directors, employees, consultants and other advisors and to acquire assets such as mineral exploration licences.

The fair value of options and performance share rights granted (determined using the Binomial option pricing model) is recognised as an expense or asset, as appropriate with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which option holders become unconditionally entitled to the options.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of equity instruments that will eventually vest.

FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise receivables, payables, investments, cash and short-term deposits. The main risks arising from the Company's financial instruments are interest rate risk, equity price risk, foreign currency risk, credit risk and liquidity risk.

The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Company's financial risk management policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, management will review this policy periodically going forward.

The fair values of receivables, payables, cash and short-term deposits approximates their carrying value.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the quarter ended 30 September 2010 that materially affect, or are reasonably likely to materially affect, internal control over financial reporting.

The accompanying Condensed Consolidated Financial Statements for the three months ended 30 September 2010 and 30 September 2009 have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards and have not been audited by the Company's Auditors. The effective date of these Condensed Consolidated Financial Statements is 11 November 2010.

Regulatory Disclosures:

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 "January, 2010 Resource Update – Mkuju River Project" dated 10 March 2010, "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.

Competent Person / Qualified Person Statements:

The information in this report that relates to Exploration Results and the scientific and technical information not covered by the two paragraphs below 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 the Company. 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) and is a "Qualified Person" under National Instrument 43-101 - 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this report, including sampling, analytical and test data underlying the information contained in this report. The QP was satisfied with the verification process and consents to the disclosure in this report. 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 Mr Malcolm Titley of CSA Global Pty. Ltd. He is a Member of the Australasian Institute of Mining and Metallurgy 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 as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) and is a "Qualified Person" under National Instrument 43-101 - 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this report, including sampling, analytical and test data underlying the information contained in this report. Mr Titley consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in this report that relates to the Resin-In-Pulp metallurgical testwork results is based on information compiled by Mr Stuart Lawrence, who is a Metallurgist and a Fellow of the South African Institute of Mining and Metallurgy. Mr Lawrence is a Director of DRA's parent company, the EPCM contractor for the Mkuju River Project. Mr Lawrence 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) and is a "Qualified Person" under National Instrument 43-101 - 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this report, was satisfied with the verification process and consents to the disclosure in this report. Mr Lawrence consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

MANTRA RESOURCES LIMITED

MANTRA RESOURCES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
EXPRESSED IN AUSTRALIAN DOLLARS

	Note	Three Months Ended 30 September Unaudited 2010 A$	Unaudited 2009 A$
Revenue	3	**997,532**	**1,763,712**
Corporate and administration costs		(950,330)	(592,422)
Exploration and evaluation costs	3	(12,410,804)	(7,483,989)
Other costs		(918)	(3,921)
Loss before income tax	3	**(12,364,520)**	**(6,316,620)**
Income tax expense		-	-
Loss after income tax expense		**(12,364,520)**	**(6,316,620)**
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(161,015)	(8,492)
Gain/(loss) on available-for-sale investments taken to equity		58,857	(145,210)
Income tax relating to components of other comprehensive income		**-**	**-**
Other comprehensive loss for the period		(102,158)	(153,702)
Total comprehensive loss for the period		**(12,466,678)**	**(6,470,322)**
Total comprehensive loss attributable to members of the parent		**(12,466,678)**	**(6,470,322)**
Earnings per share			
Weighted average number of shares		130,229,188	108,698,472
Basic loss per share (cents per share)		(9.49)	(5.81)
Diluted loss per share (cents per share)		(9.49)	(5.81)

The above Condensed Interim Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

MANTRA RESOURCES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EXPRESSED IN AUSTRALIAN DOLLARS

	Note	30 September 2010 Unaudited A$	30 June 2010 Audited A$
ASSETS			
Current Assets			
Cash and cash equivalents		66,751,646	78,693,938
Trade and other receivables		1,810,298	1,545,462
Other assets		237,445	510,405
Total Current Assets		**68,799,389**	**80,749,805**
Non-current Assets			
Property, plant and equipment		2,246,871	1,919,451
Capital-Work-In-Progress	4	1,200,372	-
Available-for-sale financial assets	5	498,533	439,677
Other assets		38,037	39,095
Total Non-current Assets		**3,983,813**	**2,398,223**
TOTAL ASSETS		**72,783,202**	**83,148,028**
LIABILITIES			
Current Liabilities			
Trade and other payables		3,928,571	4,337,114
Provisions		319,538	184,259
Borrowings		740,380	740,380
Total Current Liabilities		**4,988,489**	**5,261,753**
TOTAL LIABILITIES		**4,988,489**	**5,261,753**
NET ASSETS		**67,794,713**	**77,886,275**
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	6	173,035,021	173,045,344
Reserves		12,058,337	9,775,056
Accumulated losses		(117,298,645)	(104,934,125)
TOTAL EQUITY		**67,794,713**	**77,886,275**

The above Condensed Interim Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

MANTRA RESOURCES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
EXPRESSED IN AUSTRALIAN DOLLARS

For the Three Months ended 30 September 2009	Ordinary Shares A$	Option Premium Reserve A$	Foreign Currency Translation Reserve A$	Available-for-Sale Investments Reserve A$	Accumu-lated Losses A$	Total Equity A$
Balance at 1 July 2009	**91,163,906**	**8,043,737**	**895,033**	**-**	**(74,738,572)**	**25,364,104**
Total comprehensive income for the period:						
Net loss for the period	-	-	-	-	(6,316,620)	(6,316,620)
Other comprehensive income:						
Exchange differences arising on translation of foreign operations	-	-	(8,492)	-	-	(8,492)
Gain/(loss) on available-for-sale investments taken to equity	-	-	-	(145,210)	-	(145,210)
Income tax relating to components of other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	(8,492)	(145,210)	-	(153,702)
Total comprehensive income for the period	-	-	(8,492)	(145,210)	(6,316,620)	(6,470,322)
Transactions with owners, recorded directly in equity						
Issue of shares	742,000	-	-	-	-	742,000
Share issue costs	(48,383)	-	-	-	-	(48,383)
Share based payments	-	1,072,135	-	-	-	1,072,135
Total transactions with owners	693,617	1,072,135	-	-	-	1,765,752
Balance at 30 September 2009	**91,857,523**	**9,115,872**	**886,541**	**(145,210)**	**(81,055,192)**	**20,659,534**

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

MANTRA RESOURCES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
EXPRESSED IN AUSTRALIAN DOLLARS

For the Three Months ended 30 September 2010	Ordinary Shares A$	Option Premium Reserve A$	Foreign Currency Translation Reserve A$	Available-for-Sale Investments Reserve A$	Accumu-lated Losses A$	Total Equity A$
Balance at 1 July 2010	**173,045,344**	**10,014,997**	**788,282**	**(1,028,223)**	**(104,934,125)**	**77,886,275**
Total comprehensive income for the period:						
Net loss for the period	-	-	-	-	(12,364,520)	(12,364,520)
Other comprehensive income:						
Exchange differences arising on translation of foreign operations	-	-	(161,015)	-	-	(161,015)
Gain/(loss) on available-for-sale investments taken to equity	-	-	-	58,857	-	58,857
Income tax relating to components of other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	(161,015)	58,857	-	(102,158)
Total comprehensive income for the period	-	-	(161,015)	58,857	(12,364,520)	(12,466,678)
Transactions with owners, recorded directly in equity						
Share issue costs	(10,323)	-	-	-	-	(10,323)
Share based payments	-	2,385,439	-	-	-	2,385,439
Total transactions with owners	(10,323)	2,385,439	-	-	-	2,375,116
Balance at 30 September 2010	**173,035,021**	**12,400,436**	**627,267**	**(969,366)**	**(117,298,645)**	**67,794,713**

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

MANTRA RESOURCES LIMITED

MANTRA RESOURCES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
EXPRESSED IN AUSTRALIAN DOLLARS

	Three Months Ended 30 September	
	Unaudited 2010 A$	Unaudited 2009 A$
Cash flows from operating activities		
Payments to suppliers and employees	(12,276,786)	(5,299,699)
Interest received	1,240,515	233,492
GST/VAT received	-	84,228
Net cash outflow from operating activities	**(11,036,271)**	**(4,981,979)**
Cash flows from investing activities		
Purchase of plant and equipment	(243,894)	(171,984)
Purchase of Capital-Work-In-Progress	(498,523)	-
Security bonds received	1,057	-
Net cash outflow from investing activities	**(741,360)**	**(171,984)**
Cash flows from financing activities		
Transaction costs from issue of shares	(10,323)	(48,383)
Net cash outflow from financing activities	**(10,323)**	**(48,383)**
Net decrease in cash and cash equivalents	**(11,787,954)**	**(5,202,346)**
Foreign exchange movement on cash and cash equivalents	(154,338)	(5,014)
Cash and cash equivalents at beginning of financial period	78,693,938	26,116,132
Cash and cash equivalents at end of financial period	**66,751,646**	**20,908,772**

The above Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

MANTRA RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS (FIRST QUARTER) ENDED 30 SEPTEMBER 2010
EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report of the Consolidated Entity for the three-month reporting period (first quarter) ended 30 September 2010 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

In addition to the Australian requirements, further information has been included in the Condensed Consolidated Financial Statements for the three months (first quarter) ended 30 September 2010 in order to comply with applicable Canadian securities law, on the basis that the Company is dual listed on the Toronto Stock Exchange.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Mantra Resources Limited for the year ended 30 June 2010 and any public announcements made by Mantra Resources Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

NOTE 2. SEGMENT INFORMATION

The Consolidated Entity operates in one operating segment and one geographical segment, being mineral exploration in Africa. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

NOTE 3. REVENUE AND EXPENSES

	Three Months Ended 30 September	
	2010 A$	**2009 A$**
(a) Revenue		
Interest revenue	997,059	181,027
Gain on sale of exploration assets	-	1,582,685
Other income	473	-
	997,532	**1,763,712**
(b) Significant expenses		
Share-based payments included in exploration and evaluation costs (refer Note 6)	(2,385,439)	(1,072,135)
Other exploration and evaluation activities	(10,025,365)	(6,411,854)
Total exploration and evaluation costs	**(12,410,804)**	**(7,483,989)**

EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 4. CAPITAL WORK-IN-PROGRESS

	A$
Carrying amount at 1 July 2010	**-**
Expenditure on Early Site Works	1,200,372
Carrying amount at 30 September 2010	**1,200,372**

Notes

(1) Capital Work-In-Progress is comprised of property, plant and equipment in the course of construction and is carried at cost, less any recognised impairment loss, if applicable. Cost is determined in accordance with the Group's accounting policy for property, plant and equipment. Depreciation of Capital Work-In-Progress assets commences when the assets are ready for their intended use, and the assets will be transferred to Property, Plant and Equipment at that time.

(2) Early Site Works expenditure is comprised of expenditure on a number of key infrastructure assets as part of the ongoing exploration and development of the Mkuju River Project in southern Tanzania.

NOTE 5. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 Sept 2010 A$	30 Jun 2010 A$
At fair value:		
Shares – listed(1)	498,533	439,677

Notes

(1) In 2009, the Company divested its Mavuzi and Murrupula Projects in Mozambique to North River Resources plc ('NRR'), a company listed on London's AIM Market. Consideration for the properties was US $100,000, plus 10 million fully paid ordinary shares in NRR.

(2) The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 6. EQUITY SECURITIES ISSUED

	30 Sept 2010 A$	30 Jun 2010 A$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	**173,035,021**	**173,045,344**
(b) Options & Performance Share Rights		
Options:		
350,000 (30 June 2010: 350,000) $1.20 Unlisted Options, expiring 31 December 2010	197,050	197,050
2,050,000 (30 June 2010: 2,050,000) $1.65 Unlisted Options, expiring 31 December 2010	2,489,000	2,489,000
5,975,806 (30 June 2010: 5,975,806) $2.20 Unlisted Options, expiring 30 June 2011	-	-
800,000 (30 June 2010: 800,000) $3.00 Unlisted Options, expiring 31 December 2010	1,604,500	1,604,500
500,000 (30 June 2010: 500,000) $3.50 Unlisted Options, expiring 30 June 2011	2,168,500	2,168,500
500,000 (30 June 2010: 500,000) $4.50 Unlisted Options, expiring 31 December 2012	2,190,500	2,014,926
500,000 (30 June 2010: 500,000) $5.00 Unlisted Options, expiring 30 June 2013	832,329	523,562
500,000 (30 June 2010: 500,000) $5.50 Unlisted Options, expiring 31 December 2013	572,482	360,109
Performance Share Rights:		
2,309,325 (30 June 2010: 2,309,325) Share Rights with an exercise price of nil, expiring between 31 March 2011 and 31 December 2013	1,707,075	18,350
300,000 (30 June 2010: 300,000) $5.50 Share Rights, expiring 31 December 2013	639,000	639,000
	12,400,436	**10,014,997**

EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 6. EQUITY SECURITIES ISSUED (Continued)

(c) Movements in Ordinary Share Capital during the past three months were as follows:

Date	Details	Number of Shares	Issue Price A$	Total A$
1 Jul 2010	**Opening Balance**	**130,229,188**	**-**	**173,045,344**
Jul – Sept 2010	Share issue expenses	-	-	(10,323)
30 Sept 2010	**Closing Balance**	**130,229,188**	**-**	**173,035,021**

(d) Movements in options and performance share rights during the past three months were as follows:

Date	Details	Number of Unlisted Options & Rights	Fair Value $	$
1 Jul 2010	**Opening Balance**	**13,785,131**	**-**	**10,014,997**
Jul – Sept 2010	Options vested expense (1)	-	-	696,714
Jul – Sept 2010	Performance share rights vested expense (1)	-	-	1,688,725
30 Sept 2010	**Closing Balance**	**13,785,131**	**-**	**12,400,436**

Notes

(1) The value of options and rights expensed during the year is recognised over the vesting period of the grant, in accordance with AIFRS.

(2) There were no new options or rights granted during the three months ended 30 September 2010.

(3) As at 30 September 2010, the following unlisted options and rights were exercisable:
- options: 10,175,806
- rights: nil

NOTE 7. COMMITMENTS FOR EXPENDITURE

	30 Sept 2010 A$	30 Jun 2010 A$
Not longer than 1 year	15,271,504	12,405,117
Longer than 1 year and not longer than 5 years	-	-
	15,271,504	**12,405,117**

Notes

(1) These future commitments for expenditure relate to ongoing exploration and development activities at the Mkuju River Project in southern Tanzania.

EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 8. CONTINGENT LIABILITIES

At the last annual reporting date, the Consolidated Entity did not have any contingent liabilities. There has been no material change in contingent liabilities of the Consolidated Entity during the three months ended 30 September 2010.

NOTE 9. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the quarter.

NOTE 10. INVESTMENT IN CONTROLLED ENTITIES

All controlled entities are included in the consolidated financial statements. The parent entity does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity. The financial year-end of all controlled entities is the same as that of the parent entity, except for the Mozambique subsidiary which is required by law to use a 31 December financial year-end.

		% of Shares held	
	Place of Incorporation	30 September 2010	30 June 2010
Name of controlled entity			
Mantra Tanzania Limited	Tanzania	100%	100%
Nyanza Goldfields Limited	Tanzania	100%	100%
Ruvuma Resources Limited (1)	Tanzania	100%	-
Mantra East Africa Limited	Kenya	100%	100%
Mavuzi Resources Pty Ltd	Australia	100%	100%
Mavuzi Minerals Pty Ltd	Australia	100%	100%
OmegaCorp Minerais Ltda	Mozambique	100%	100%
Mantra Uranium South Africa (Pty) Ltd	South Africa	100%	100%

Notes

(1) Ruvuma Resources Limited was incorporated by Mantra for nominal value during the quarter. It had not undertaken any transactions as at 30 September 2010.

NOTE 11. SUBSEQUENT EVENTS AFTER BALANCE DATE

- Pursuant to the Company's LTIP, on 22 October 2010 the Company granted a further 354,663 Performance Share Rights to key employees and consultants of the Company. The Rights do not have an exercise price but are subject to various performance conditions to be satisfied prior to the relevant expiry dates between 31 March 2011 and 31 December 2013. The performance conditions are linked to the key development milestones for the Mkuju River Project during that period.

Other than as disclosed above, there were no significant events occurring after balance date requiring disclosure.

APPENDIX A

Form 52-109F2 – Certification of Interim Filings (Full Certificate)

I, Peter Breese, Chief Executive Officer of Mantra Resources Limited, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Mantra Resources Limited (the "issuer") for the interim period ended 30 September 2010.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organisations of the US Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on 1 July 2010 and ended on 30 September 2010 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: 11 November 2010

Peter Breese
Chief Executive Officer

APPENDIX A

Form 52-109F2 – Certification of Interim Filings (Full Certificate)

I, Luke Watson, Chief Financial Officer of Mantra Resources Limited, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Mantra Resources Limited (the "issuer") for the interim period ended 30 September 2010.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organisations of the US Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on 1 July 2010 and ended on 30 September 2010 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: 11 November 2010

Luke Watson
Chief Financial Officer