ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 JANUARY 2008

NEW AREA OF HIGH GRADE URANIUM MINERALISATION INTERSECTED IN DRILLING AT MKUJU RIVER PROJECT

The Directors of Mantra Resources Limited ("Mantra" or "the Company") are pleased to announce that thick, high grade zones of sandstone-hosted uranium mineralisation have been intersected in recent drilling targeting the NW Trend Prospect at the Mkuju River Project in southern Tanzania.

Assay results returned from the maiden reverse circulation ("RC") drilling program at Anomaly MNS, located in the southern portion of the NW Trend Prospect approximately 6km south of the recently discovered high grade mineralisation at the Nyota Prospect, have confirmed the presence of multiple stacked mineralised horizons and include the following significant intersections:

Hole #	Down Hole Intercept	Down Hole Depth (from)
MNSR-4	15m @ 1,582 ppm U_3O_8	22m
	(incl. 7m @ 3,026 ppm U_3O_8)	25m
MNSR-3	12m @ 1,268 ppm U_3O_8	13m
	(incl. 5m @ 2,840 ppm U_3O_8)	17m
	5m @ 756 ppm U_3O_8	32m
MNSR-8	2m @ 3,570 ppm U_3O_8	2m
MNSR-13	3m @ 3,120 ppm U_3O_8	10m
	6m @ 722 ppm U_3O_8	19m
MNSR-11	2m @ 1,065 ppm U_3O_8	42m
MNSR-23	3m @ 760 ppm U_3O_8	15m
MNSR-2	4m @ 665 ppm U_3O_8	23m
MNSR-21	3m @ 627 ppm U_3O_8	22m
MNSR-15	3m @ 623 ppm U_3O_8	31m
MNSR-18	4m @ 548 ppm U_3O_8	4m

Note: 10,000 ppm = 1%

A second drilling program was completed at Anomaly MNS during November, with the assay results expected in the coming four weeks.

The outstanding results of Mantra's recent exploration continue to highlight the potential of the Karoo sediments within the Mkuju River Project area to host significant sandstone-hosted uranium mineralisation.

The Company is focussed on aggressively pursuing this demonstrated uranium potential and has recently commenced a 15,000m aircore/RC drilling program at the Nyota Prospect. Exploration work, including geological mapping, radiometric traversing, trenching and channel sampling, is also ongoing at the Nyota and NW Trend Prospects.

Mantra's Managing Director Robert Behets said "The results of the drilling at Anomaly MNS are significant having confirmed the presence of shallow, thick, high grade zones of sandstone-hosted uranium mineralisation beneath the first radiometric anomaly cluster within the NW Trend Prospect area to be drill tested.

This follows the results of drilling at the Nyota Prospect in mid 2007 which intersected multiple thick, high grade zones of sandstone-hosted uranium mineralisation at shallow depths in the subsurface of both of the two radiometric anomalies currently drill tested.

Mantra is extremely encouraged by the outstanding drilling results returned from the three anomalies tested to-date, given the aerially extensive nature of the radiometric anomalism and confirmed presence of widespread surface mineralisation at both the Nyota and NW Trend Prospects."

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Introduction

Mantra is pleased to report the results of the initial RC drilling program completed on the NW Trend Prospect at the Company's flagship Mkuju River Project in southern Tanzania. This follows the outstanding results of drilling at the Nyota Prospect, located approximately 6km to the north of the NW Trend Prospect, in mid 2007.

The ongoing exploration work program has to-date included geological mapping, radiometric traversing, trenching and RC drilling at the Nyota and NW Trend Prospects. A high resolution helicopter-borne radiometric survey has also been completed over the entire Mkuju River Project area (Figure 1).

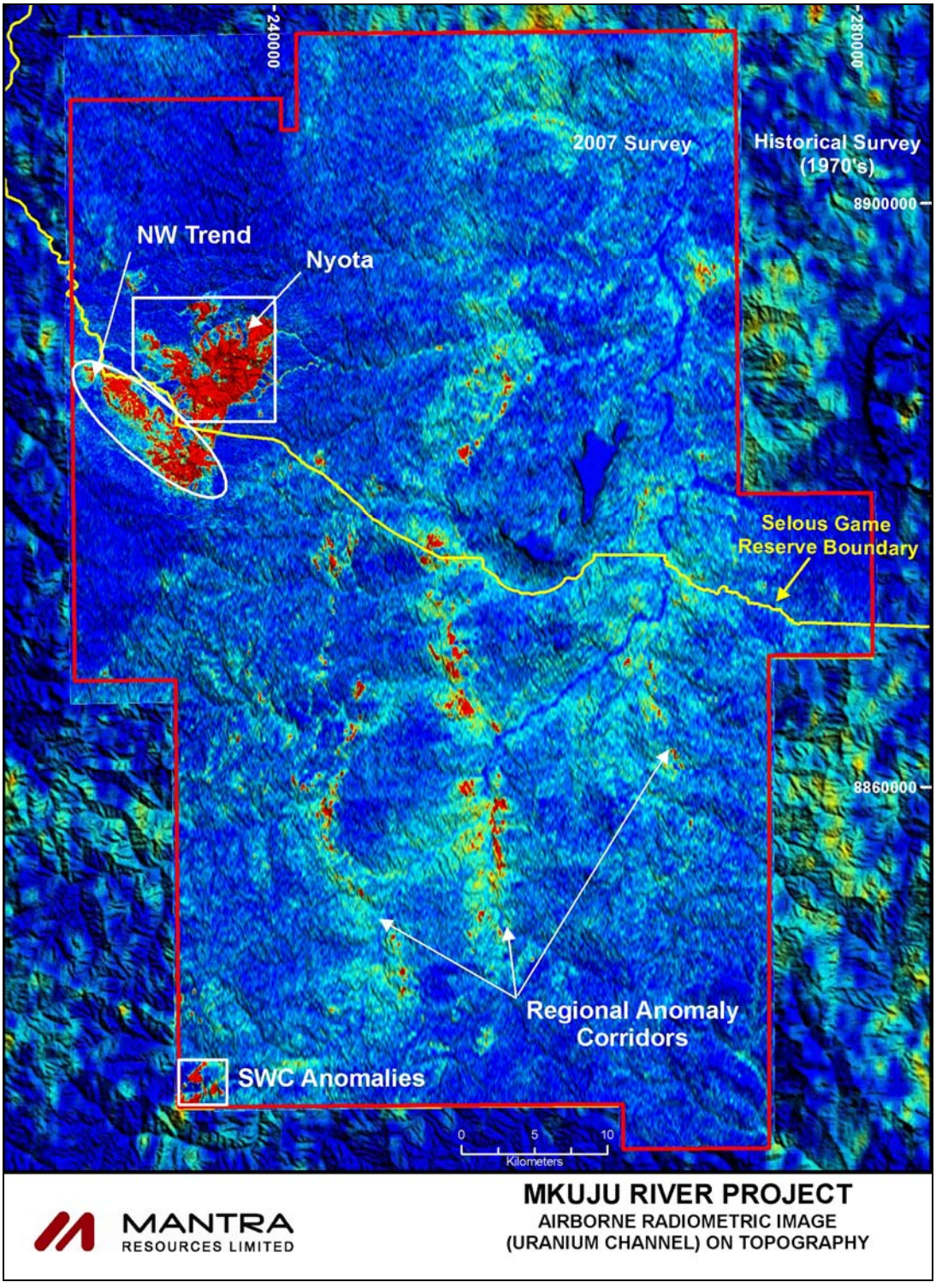


Figure 1: Mkuju River Project - Airborne Radiometric Image and Prospect Locations

Drilling Results

The RC drilling program conducted during September was aimed at testing Anomaly MNS, a cluster of airborne radiometric anomalies situated in the southern portion of the aerially extensive (12km by 2.5km) NW Trend Prospect area. Geological mapping, trenching and sampling undertaken by Mantra had shown the radiometric anomalies to be associated with secondary uranium mineralisation exposed at surface. The initial drilling program at Anomaly MNS comprised 35 drill holes sited on an offset 100m by 100m pattern for a total of 2,117m (Figure 2). Final assays results from this drilling program have been received and are detailed below.

Based on encouraging geological observations and the identification of a number of radiometrically anomalous sandstone and gritty/conglomeratic sandstone horizons during the initial drilling, a second phase of drilling was conducted at Anomaly MNS during November. The Phase 2 drilling program comprised 36 drill holes for a total of 1,938m. Assays results from this second program are expected in the coming four weeks.

The drilling has intersected multiple thick, high grade zones of predominantly sandstone-hosted uranium mineralisation at shallow depths. Assay results returned from the drill hole samples include the following significant intersections (quoted as down hole intercepts which approximate true widths):

Hole #	***Down Hole Intercept***	***Down Hole Depth (from)***
MNSR-4	***15m @ 1,582 ppm U_3O_8***	***22m***
	(incl. 7m @ 3,026 ppm U_3O_8)	***25m***
MNSR-3	***12m @ 1,268 ppm U_3O_8***	***13m***
	(incl. 5m @ 2,840 ppm U_3O_8)	***17m***
	5m @ 756 ppm U_3O_8	***32m***
MNSR-8	***2m @ 3,570 ppm U_3O_8***	***2m***
MNSR-13	***3m @ 3,120 ppm U_3O_8***	***10m***
	6m @ 722 ppm U_3O_8	***19m***
MNSR-11	***2m @ 1,065 ppm U_3O_8***	***42m***
MNSR-23	***3m @ 760 ppm U_3O_8***	***15m***
MNSR-2	***4m @ 665 ppm U_3O_8***	***23m***
MNSR-21	***3m @ 627 ppm U_3O_8***	***22m***
MNSR-15	***3m @ 623 ppm U_3O_8***	***31m***
MNSR-18	***4m @ 548 ppm U_3O_8***	***4m***

Note: 10,000 ppm = 1%

The uranium mineralisation is observed to be preferentially hosted within sandstone and gritty/conglomeratic sandstone horizons capped by finer grained claystone units. The strongest mineralisation is frequently observed at or near the contact between the sandstone and claystone units (Figure 3). These characteristics are typical of sandstone-hosted roll front type uranium deposits such as the Kayelekera deposit in nearby Malawi.

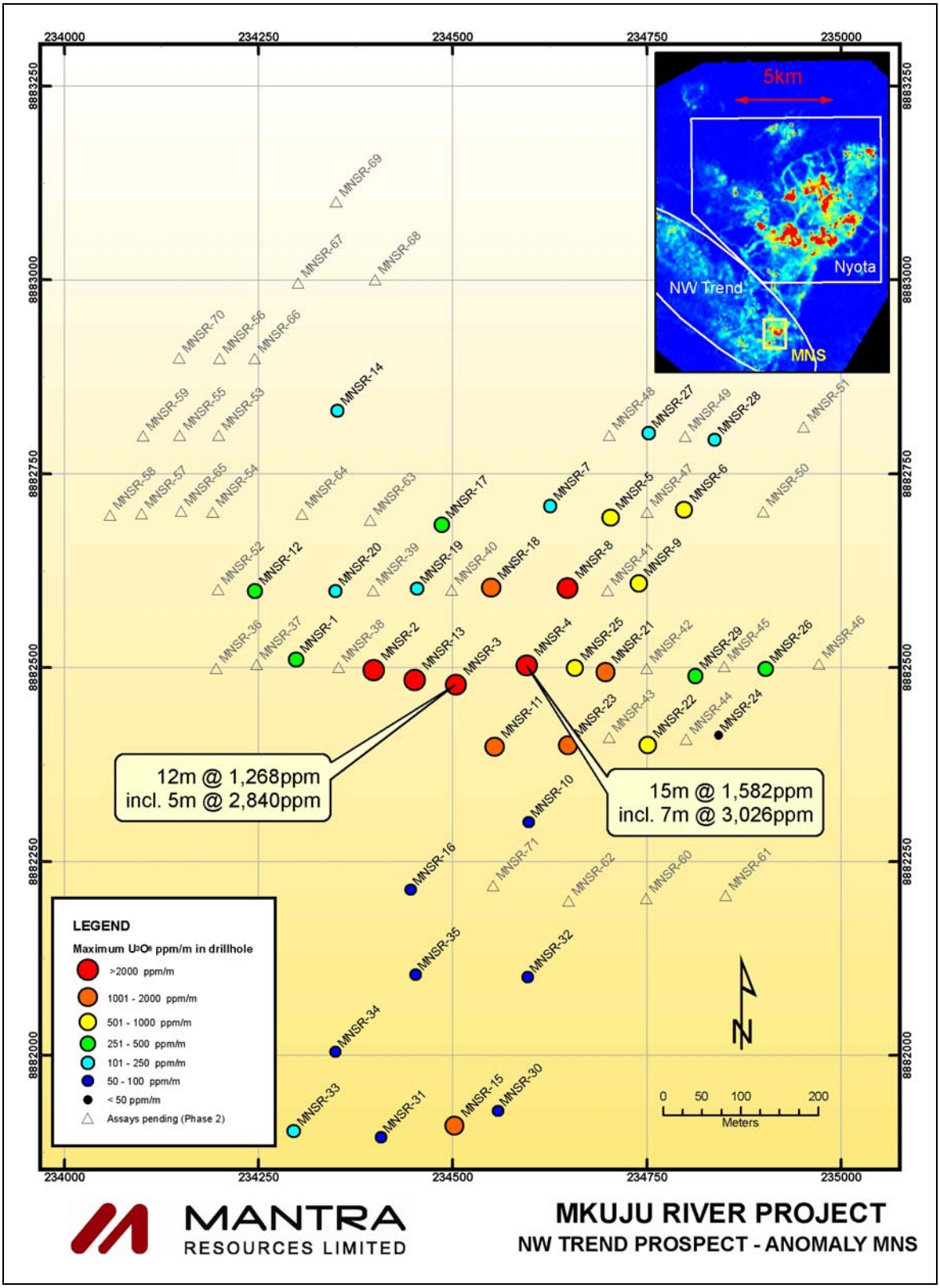


Figure 2: Anomaly MNS - Drill Hole Plan

The geological sequence consists of a series of alternating coarse grained sandstones and fine grained claystones (with a component ratio of 2:1) and is interpreted as representing a braided stream depositional environment (Figure 3). The local stratigraphy is flat lying to shallowly dipping and a number of the mineralised horizons intersected in the drilling can be tentatively correlated with, and are interpreted to represent the down-dip continuation of, zones of supergene mineralisation exposed at surface and sampled by recent trenching.

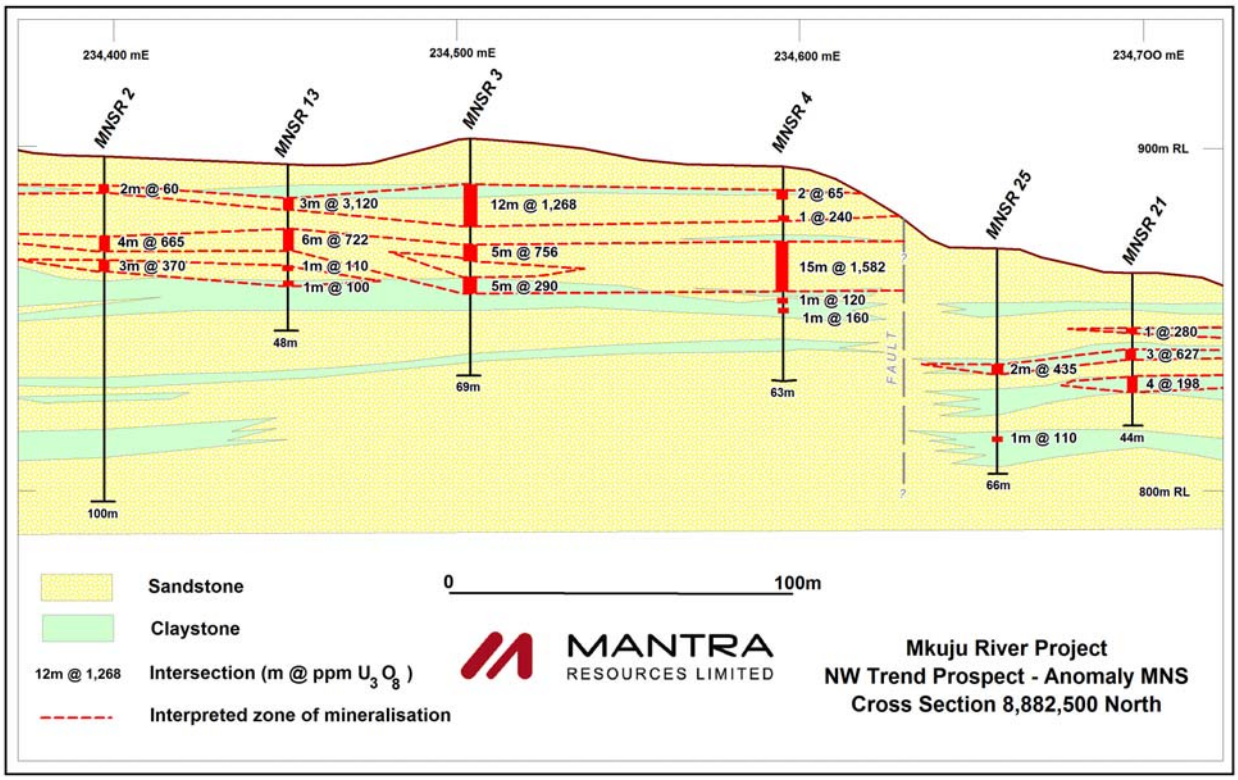


Figure 3: Anomaly MNS - Cross Section

All significant intersections returned from the Phase 1 drilling are listed in Table 1. Details of the collar positions and depths of all drill holes are summarised in Table 2.

Summary

The results of the maiden drilling program on the NW Trend Prospect have confirmed the presence of shallow, thick, high grade zones of sandstone-hosted uranium mineralisation beneath Anomaly MNS. Anomaly MNS is the first of four defined radiometric anomaly clusters within the aerially extensive NW Trend Prospect area to be drilled.

This follows the results of drilling at the Nyota Prospect in mid 2007 which intersected multiple thick, high grade zones of sandstone-hosted uranium mineralisation at shallow depths in the subsurface of both of the two radiometric anomalies (12 in total) currently drill tested (ASX announcement dated 14 September 2007).

In addition, geological mapping and trenching undertaken during 2007 (ASX announcements dated 26 June, 7 August and 17 September 2007) has demonstrated the presence of widespread sandstone-hosted mineralisation at surface throughout the Nyota and NW Trend Prospect areas. To date, secondary uranium mineralisation has been observed in trenches that are distributed throughout a total area of approximately 60km^2 and over a vertical interval of 240m.

The outstanding results of Mantra's recent drilling at Anomaly MNS continue to highlight the potential of the Karoo sediments within the Mkuju River Project area to host significant sandstone-hosted uranium mineralisation.

The Company is focussed on aggressively pursuing this demonstrated potential and has recently commenced a 15,000m aircore/RC drilling program at the Nyota Prospect. Exploration work, including geological mapping, radiometric traversing, trenching and channel sampling, is also ongoing at the Nyota and NW Trend Prospects.

Table 1: Summary of Significant RC Drill Intersections

Prospect	Anomaly	Drill hole ID	From (m)	To (m)	Interval (m)	U_3O_8 (ppm)
NW Trend	MNS	MNSR-1	25.0	28.0	3.0	310
			40.0	42.0	2.0	115
		MNSR-2	23.0	27.0	4.0	665
			30.0	33.0	3.0	370
			36.0	37.0	1.0	860
		MNSR-3	13.0	25.0	12.0	1,268
		including	*17.0*	*22.0*	*5.0*	*2,840*
			32.0	37.0	5.0	756
			40.0	45.0	5.0	290
		MNSR-4	15.0	16.0	1.0	240
			22.0	37.0	15.0	1,582
		including	*25.0*	*32.0*	*7.0*	*3,026*
			39.0	40.0	1.0	120
			42.0	43.0	1.0	410
			55.0	57.0	2.0	120
			59.0	60.0	1.0	150
		MNSR-5	15.0	17.0	2.0	440
			30.0	36.0	6.0	300
			38.0	39.0	1.0	220
		MNSR-6	11.0	15.0	4.0	370
			25.0	26.0	1.0	260
			31.0	32.0	1.0	160
			48.0	49.0	1.0	390
		MNSR-7	9.0	12.0	3.0	147
			14.0	18.0	4.0	143
			24.0	25.0	1.0	110
			27.0	30.0	3.0	153
		MNSR-8	2.0	4.0	2.0	3,570
			7.0	11.0	4.0	170
			12.0	13.0	1.0	120
			15.0	24.0	9.0	148
			25.0	26.0	1.0	310
			39.0	46.0	7.0	270
			48.0	49.0	1.0	170
			57.0	58.0	1.0	100
		MNSR-9	9.0	14.0	5.0	160
			17.0	21.0	4.0	248
			29.0	36.0	7.0	247
		MNSR-10	No significant intercepts			
		MNSR-11	21.0	22.0	1.0	100
			24.0	25.0	1.0	100
			42.0	44.0	2.0	1,065
			47.0	49.0	2.0	340
		MNSR-12	28.0	29.0	1.0	440
			44.0	45.0	1.0	150
		MNSR-13	10.0	13.0	3.0	3,120
			15.0	16.0	1.0	140
			19.0	25.0	6.0	722
			30.0	31.0	1.0	110
			34.0	35.0	1.0	100

Table 1: Summary of Significant RC Drill Intersections *(cont.)*

Prospect	Anomaly	Drill hole ID	From (m)	To (m)	Interval (m)	U_3O_8 (ppm)
NW Trend	MNS	MNSR-14	6.0	9.0	3.0	147
			18.0	19.0	1.0	100
		MNSR-15	19.0	26.0	7.0	467
			31.0	34.0	3.0	623
			36.0	37.0	1.0	130
		MNSR-16	No significant intercepts			
		MNSR-17	3.0	4.0	1.0	100
			11.0	12.0	1.0	140
			15.0	17.0	2.0	200
			22.0	26.0	4.0	315
		MNSR-18	4.0	8.0	4.0	548
		MNSR-19	2.0	3.0	1.0	130
			12.0	14.0	2.0	165
		MNSR-20	10.0	11.0	1.0	160
		MNSR-21	16.0	17.0	1.0	280
			22.0	25.0	3.0	627
			30.0	34.0	4.0	198
		MNSR-22	37.0	38.0	1.0	880
		MNSR-23	15.0	18.0	3.0	760
			23.0	24.0	1.0	150
			29.0	30.0	1.0	100
			32.0	34.0	2.0	190
		MNSR-24	No significant intercepts			
		MNSR-25	34.0	36.0	2.0	435
			55.0	56.0	1.0	110
		MNSR-26	13.0	15.0	2.0	165
			26.0	26.0	1.0	210
		MNSR-27	14.0	16.0	2.0	170
			31.0	34.0	3.0	113
		MNSR-28	5.0	8.0	3.0	153
			11.0	13.0	2.0	130
		MNSR-29	23.0	24.0	1.0	140
			29.0	30.0	1.0	200
			33.0	36.0	3.0	150
			44.0	48.0	4.0	155
			49.0	51.0	2.0	175
		MNSR-30	No significant intercepts			
		MNSR-31	26.0	27.0	1.0	100
		MNSR-32	No significant intercepts			
		MNSR-33	5.0	6.0	1.0	240
		MNSR-34	No significant intercepts			
		MNSR-35	No significant intercepts			

Notes:

1. *RC drill samples are collected over one metre intervals using representative sampling techniques*
2. *Sample preparation by ALS Chemex laboratory in Mwanza, Tanzania*
3. *Sample analysis by ALS Chemex in Perth, Australia. Low level analysis by four acid digest and ICP and high level (>500 ppm U_3O_8) analysis using fused pellet XRF method*
4. *Quality control standards, blanks and duplicates are routinely included with the drill samples prior to submission to the laboratory, where further laboratory control samples are added*
5. *Drill intersections are calculated using a 100 ppm U_3O_8 cut-off and include no more than 1m of internal dilution by material <100 ppm U_3O_8*
6. *Geological units are flat lying to shallowly dipping so reported intervals approximate true widths*

Table 2: Summary of RC Drill Hole Details

Prospect	Anomaly	Drill hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Program
NW Trend	MNS	MNSR-1	234298	8882511	903	100	Sept
		MNSR-2	234398	8882497	897	100	Sept
		MNSR-3	234504	8882478	902	69	Sept
		MNSR-4	234595	8882503	895	63	Sept
		MNSR-5	234703	8882693	870	69	Sept
		MNSR-6	234798	8882704	861	66	Sept
		MNSR-7	234626	8882709	866	60	Sept
		MNSR-8	234648	8882603	881	66	Sept
		MNSR-9	234739	8882609	864	63	Sept
		MNSR-10	234598	8882301	915	93	Sept
		MNSR-11	234554	8882398	911	87	Sept
		MNSR-12	234246	8882599	905	72	Sept
		MNSR-13	234451	8882485	895	48	Sept
		MNSR-14	234352	8882832	858	50	Sept
		MNSR-15	234502	8881909	885	73	Sept
		MNSR-16	234446	8882214	889	72	Sept
		MNSR-17	234486	8882684	855	54	Sept
		MNSR-18	234549	8882603	864	51	Sept
		MNSR-19	234454	8882602	866	51	Sept
		MNSR-20	234349	8882599	869	51	Sept
		MNSR-21	234697	8882494	863	44	Sept
		MNSR-22	234751	8882400	871	56	Sept
		MNSR-23	234648	8882400	876	53	Sept
		MNSR-24	234842	8882413	864	51	Sept
		MNSR-25	234658	8882500	871	66	Sept
		MNSR-26	234903	8882498	857	62	Sept
		MNSR-27	234752	8882803	864	51	Sept
		MNSR-28	234837	8882794	856	42	Sept
		MNSR-29	234812	8882490	860	57	Sept
		MNSR-30	234558	8881929	886	61	Sept
		MNSR-31	234408	8881895	868	59	Sept
		MNSR-32	234596	8882101	898	63	Sept
		MNSR-33	234295	8881902	833	31	Sept
		MNSR-34	234349	8882005	833	39	Sept
		MNSR-35	234452	8882105	846	24	Sept
		MNSR-36	234196	8882499	894	50	Nov
		MNSR-37	234248	8882504	897	55	Nov
		MNSR-38	234353	8882500	902	50	Nov
		MNSR-39	234398	8882599	869	48	Nov
		MNSR-40	234499	8882600	865	36	Nov
		MNSR-41	234700	8882599	871	55	Nov
		MNSR-42	234750	8882499	856	48	Nov
		MNSR-43	234701	8882410	869	50	Nov
		MNSR-44	234801	8882408	866	50	Nov
		MNSR-45	234850	8882502	861	55	Nov

Table 2: Summary of RC Drill Hole Details *(cont.)*

		MNSR-46	234972	8882505	863	45	Nov
		MNSR-47	234751	8882701	867	55	Nov
		MNSR-48	234702	8882800	860	54	Nov
		MNSR-49	234800	8882798	864	49	Nov
		MNSR-50	234900	8882701	835	49	Nov
		MNSR-51	234952	8882811	826	44	Nov
		MNSR-52	234198	8882601	905	51	Nov
		MNSR-53	234199	8882800	899	66	Nov
		MNSR-54	234192	8882701	903	62	Nov
		MNSR-55	234149	8882799	899	60	Nov
		MNSR-56	234201	8882898	887	60	Nov
		MNSR-57	234100	8882699	902	70	Nov
		MNSR-58	234060	8882697	898	50	Nov
		MNSR-59	234102	8882799	897	54	Nov
		MNSR-60	234749	8882203	894	82	Nov
		MNSR-61	234852	8882206	889	80	Nov
		MNSR-62	234650	8882199	902	63	Nov
		MNSR-63	234394	8882690	854	40	Nov
		MNSR-64	234307	8882698	862	40	Nov
		MNSR-65	234151	8882702	905	60	Nov
		MNSR-66	234245	8882899	886	50	Nov
		MNSR-67	234301	8882996	875	51	Nov
		MNSR-68	234400	8883001	861	50	Nov
		MNSR-69	234351	8883101	853	40	Nov
		MNSR-70	234148	8882899	883	50	Nov
		MNSR-71	234552	8882219	907	66	Nov

Notes:

1. *Co-ordinates are in UTM grid (WGS 84 Zone 37S) and have been measured by DGPS (+/- 1m accuracy)*
2. *All holes were drilled vertically*
3. *Detailed geological logging and radiometric profiling (using a hand-held scintillometer on each drill sample) is undertaken for all drill holes*

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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.

Mantra Resources Background

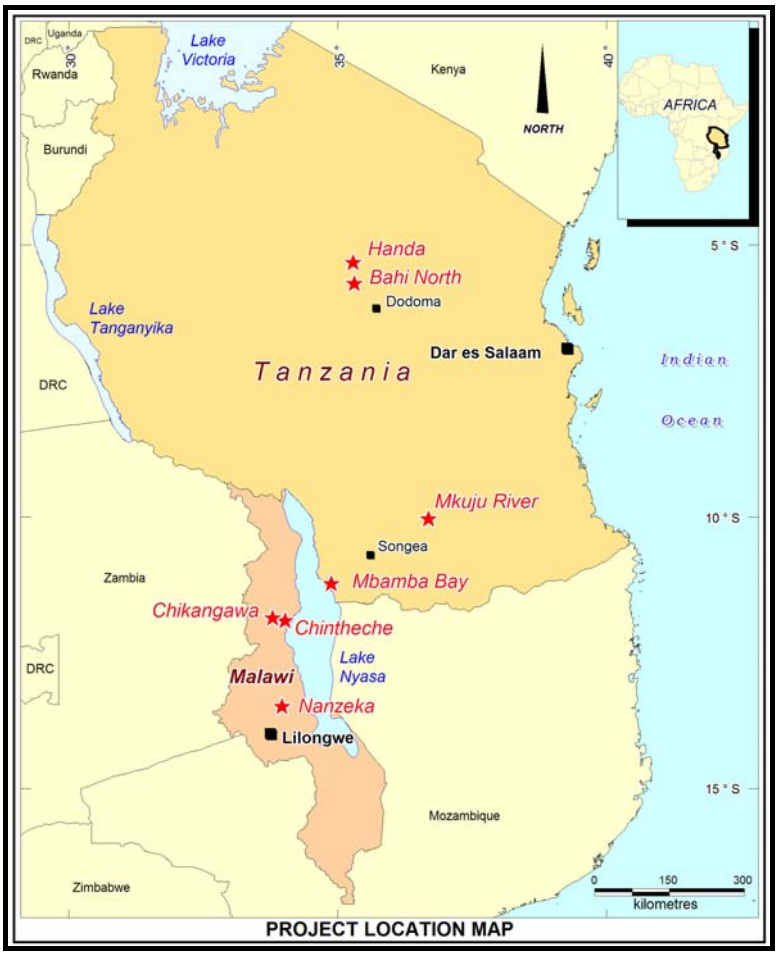
Mantra has direct and joint venture interests in a portfolio of uranium exploration tenements in southern Africa.

The Company controls licences and applications in Tanzania that cover a total area of approximately 12,450 km^2 and include sandstone-hosted roll front type uranium targets within the highly prospective Karoo-age sediments of southern Tanzania (**Mkuju River Project, Mbamba Bay Project and Southern Tanzania JV's**) and palaeochannel associated calcrete-hosted uranium targets within the Bahi catchment of central Tanzania (**Bahi North Project and Handa Project**).

Mantra also has interests in three uranium exploration properties (**Chikangawa, Chintheche and Nanzeka**) in Malawi. The tenements cover a total area of approximately 1,630 square kilometres and include intrusive-related and hydrothermal vein style uranium targets.

The Company is focused on implementing an aggressive exploration program, with a strong emphasis on the application of modern exploration technologies and targeted drilling, to evaluate the potential of its uranium projects.

In September 2007, Mantra announced that it had reached an agreement with Mavuzi Resources Limited to merge the two companies. The proposed merger, which is subject to Shareholder approval, will create a dynamic and well funded exploration company with a diversified portfolio of quality uranium, gold and copper projects in southern Africa covering approximately 15,250 square kilometres; an enhanced and highly credentialed management team; and strengthened technical, operational and financial capabilities to support continued growth through aggressive exploration and acquisition.



PROJECT LOCATION MAP