# FORM 51-102F3

# MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Mantra Resources Limited (the "**Company**" or "**Mantra**")
Level 9, BGC Centre
28 The Esplanade
Perth, Western Australia
6000

Item 2. Date of Material Change

March 21, 2011

Item 3. News Release

A news release announcing this material change was issued March 21, 2011 through CNW Group and a copy was filed on SEDAR.

Item 4. Summary of Material Changes

On March 21, 2011 the Company and JSC Atomredmetzoloto ("**ARMZ**") revised the transaction ("**Revised Transaction**") in relation to the Scheme Implementation Agreement ("**SIA**") that was entered into by Mantra and ARMZ on December 15, 2010.

Item 5. 5.1 – Full Description of Material Change

On March 21, 2011 the Company announced the Revised Transaction in relation to the SIA.

On March 16, 2011, Mantra announced that ARMZ considered that a condition precedent in the SIA relating to material adverse change was not capable of satisfaction. ARMZ however indicated that it was willing to explore how the transaction contemplated by the SIA could proceed by way of an alternative approach.

After consideration of all available options, and advice received from its financial and legal advisers, Mantra agreed to the Revised Transaction with ARMZ. The key terms of the Revised Transaction are as follows:

- ARMZ will acquire all of the issued share capital in Mantra by way of a Scheme of Arrangement ("**Scheme**").

- Under the Scheme, Mantra shareholders will receive:

    - A$6.87 in cash for every Mantra share they own ("**Scheme Consideration**"); and

    - a dividend of A$0.15 for every Mantra share they own as at the Record Date under the Scheme ("**Special Dividend**").

- The Revised Transaction is not subject to any material adverse change conditions.

Under the Revised Transaction, the total consideration to be received by Mantra shareholders is A$7.02 per share ("**Total Cash Payments**"). This values Mantra at approximately A$1.02 billion and represents:

- a 32.7% premium to Mantra's closing share price of A$5.29 on the ASX on Friday, March 18, 2011, the last trading day prior to the announcement of the Revised Transaction; and

- a 14.4% premium to Mantra's volume weighted average price of A$6.14 over the 5-Day VWAP, being the period since the natural disaster in Japan occurred.

The Scheme Consideration and the Special Dividend will be paid to Mantra shareholders simultaneously upon implementation of the Scheme. After taking into consideration the current global equity market conditions and increased uncertainty for the uranium sector, other potential options available to the Company and the advice of its financial and legal advisers, the Mantra Board has concluded that the Revised Transaction is in the best interests of Mantra shareholders.

The Total Cash Payments of A$7.02 allows Mantra shareholders to realise value for their Mantra shares in the near term and, in the view of the Mantra Board, is compelling when taking into consideration the increased level of project development risk and uranium sector risk. In addition, there is a greater level of certainty with respect to the Revised Transaction being completed, due to the reduced conditionality of the deal including removal of the material adverse change clauses.

The Directors of Mantra have agreed unanimously to recommend ARMZ's revised offer and will vote in favour of the Scheme in the absence of a superior proposal and subject to receipt of an updated recommendation from the Independent Expert that the Revised Transaction is in the best interests of Mantra shareholders.

In addition, Mantra's strategic shareholder, Highland Park S.A., which owns 13.5% of the outstanding fully diluted share capital in Mantra, has represented to Mantra that it supports the Revised Transaction and will vote in favour of the Scheme in the absence of a superior proposal.

Furthermore, Highland Park S.A. has reconfirmed its undertaking to stand still in relation to its Mantra securities whilst the Scheme is being implemented.

<u>5.2 – Disclosure for Restructuring Transactions</u>

Not applicable.

Item 6. <u>Reliance on subsection 7.1(2) of National Instrument 51-102</u>

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

For further information, please contact Peter Breese, CEO, (+27) 82 888 6852.

Item 9. Date of Report

This Material Change Report is dated as of March 28, 2011.