

MANTLE RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Three months ended September 30, 2007 and 2006

MANTLE RESOURCES INC.

Management Discussion and Analysis, page 1
Three months ended September 30, 2007 and 2006

1.1 Date

This Management Discussion and Analysis (“MD&A”) of Mantle Resources Inc. (“Mantle” or the “Company”) has been prepared by management as of November 29, 2007 and should be read in conjunction with the unaudited consolidated interim financial statements and related notes thereto of the Company for the three months ended September 30, 2007 and 2006 and with the audited consolidated financial statements and related notes thereto of the Company, as at and for the years ended June 30, 2007 and 2006, which were prepared in accordance with Canadian generally accepted accounting principles.

The Company is presently a “Venture Issuer”, as defined in NI 51-102.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Issuer, including potential business or mineral property acquisitions and negotiation and closing of future financings. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1.2 Over-all Performance

Mantle was incorporated under the laws of the Province of British Columbia on February 10, 1988. The Company operates in one business segment, that being the exploration and development of mineral properties in Canada.

Pursuant to a special resolution passed by shareholders on February 15, 2002, the Company consolidated its capital on a one-new-for-eight-old basis and changed its name from Intertech Minerals Corp. to Mantle Minerals Inc. On April 25, 2002, the Company commenced trading on the TSX Venture Exchange (TSXV) under the symbol “MIN”. To date, the Company has not generated significant revenues from operations or recorded any cost of sales and as a result is considered to be in the development stage. The underlying value of the mineral properties and related deferred costs are entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production.

Effective October 21, 2003, the Company was designated as inactive. The Company’s listing was transferred to the NEX Board of the TSX Venture Exchange (“Exchange”) and its tier classification was changed from Tier 2 to NEX in accordance with the revised policy 2.5 of the Exchange.

Effective September 22, 2004, the Company’s listing was transferred from NEX to the TSX Venture Exchange and the Company’s Tier classification was changed from NEX to Tier 2.

Effective August 9, 2005, the Company changed its name from Mantle Minerals Inc. to Mantle Resources Inc. and consolidated its share capital on the basis of two old shares to one new share. As a result, the common shares of Mantle Minerals Inc. were delisted and the common shares of Mantle Resources Inc. commenced trading under the trading symbol “MTS”.

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Effective October 18, 2005, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the trading symbol M9R, WKN-A0F7E1.

During the year ended June 30, 2006, the Company graduated to Tier 1 of the TSX Venture Exchange.

As at the date hereof, the Company has mining interests in properties located in British Columbia and entered into the following agreements as at September 30, 2007:

Akie Property

On August 23, 2005, the Company entered into an agreement with Ecstall Mining Corporation ("Ecstall"), pursuant to which the Company had been granted an option entitling it to earn a 65% interest in Ecstall's Akie property, located in the Omineca Mining Division of British Columbia.

In consideration, the Company had to make staged cash payments totalling \$450,000 on or before June 21, 2008 (fully paid as of June 30, 2007) and incur a total of \$4,000,000 in exploration expenditures on or before August 31, 2008 (incurred as of June 30, 2007).

As per the original agreement, the Company was appointed operator of the Akie property until December 31, 2006 and was responsible for managing all work carried out on the Akie property. In return, the Company was paid an operator's fee. Ecstall had the right to become the operator of the Akie property commencing January 1, 2007, effective until the Company exercises the option.

The Company issued 150,000 shares as a finder's fee to a third party as per the terms of the agreement.

The Company acquired 100% of the issued and outstanding shares of Ecstall pursuant to its take-over bid made December 22, 2006, as amended by its Notice of Variation dated January 29, 2007 and Notice of Extension dated February 9, 2007. The conditions of its Offer were satisfied and the Company took up an aggregate of 53,533,615 shares of Ecstall which were validly tendered prior to the February 23, 2007 expiry date. Pursuant to the Offer, the Company issued and distributed to those shareholders who have tendered, 0.41 of one share of the Company for each Ecstall share tendered.

The Company exercised its rights pursuant to compulsory acquisition procedures under the British Columbia Business Corporations Act to acquire, for the same consideration as that paid under the Offer, all of the remaining shares of Ecstall that were not tendered to the Offer. The Company now owns 100 % interest in the Akie property.

Property Update

Below is a progress report on the ongoing exploration program at the Company's Akie zinc-lead property located in northeastern British Columbia, approximately 280 kilometers north-northwest of the town of Mackenzie.

Previous Results:

Hole: A-07-45

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
512.35	544.37	32.02	15.35	3.40	25.24
524.80	541.20	16.40	18.42	4.17	30.44

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Hole: A-07-43

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
544.20	571.81	27.61	12.20	2.99	20.01
Incl: 559.92	571.81	11.89	15.64	4.29	29.04

Hole: A-07-42

From (m)	To (M)	Interval (m)	Zinc %	Lead %	Silver (gr/t)
666.9	678.22	11.32	13.83	3.24	21.11

Hole: A-06-41A

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
587.60	604.35	16.75	6.56	1.20	12.20
Incl. 591.87	604.35	12.48	6.99	1.31	13.04
Incl. 596.70	604.35	7.65	7.65	1.49	14.67

Hole: A-06-40

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
480.00	510.40	30.40	5.49	0.86	10.69
Incl. 483.60	490.80	7.20	6.88	1.06	10.61
And. 493.00	505.30	12.30	7.33	1.19	11.55
Incl. 493.00	502.10	9.10	8.56	1.35	12.23

Hole: A-06-39A

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
490.00	508.10	18.10	8.16	1.58	14.15
Incl. 490.00	503.00	13.00	9.73	1.82	15.27
Incl. 494.00	502.00	8.00	11.73	2.24	16.94

Hole: A-06-38

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
528.35	547.75	19.40	8.27	1.45	14.17
Incl. 528.35	542.20	13.85	8.99	1.68	16.57
Incl. 537.80	542.20	4.40	13.00	1.83	18.09
Incl. 544.90	547.75	2.85	12.39	1.58	14.67

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Hole: A-06-37A

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
500.20	525.70	25.50	8.45	1.74	14.6
Incl. 500.20	508.00	7.80	9.35	1.73	15.1
Incl. 511.00	520.30	9.30	10.35	2.25	17.3

Hole: A-06-36A

a) Hanging Wall Zone

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
673.50	688.10	14.60	3.90	0.74	6.8

b) Cardiac Creek Zone

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
711.40	721.80	10.40	5.81	1.19	10.6
711.40	720.10	8.70	6.56	1.34	11.8
Incl. 713.00	716.00	3.00	9.14	1.68	14.0

Hole: A-06-35.

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
642.70	664.60	21.90	8.88	1.80	15.6
Incl. 654.50	664.60	10.10	11.06	2.52	21.3
677.10	681.90	4.80	9.33	2.16	17.3

Hole: A-05-33.

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
558.55	577.75	19.20	8.71	1.83	16.01
Incl. 565.50	577.00	11.50	9.81	2.20	18.54
Incl. 571.00	577.00	6.00	11.97	2.79	22.00

Hole: A-05-32.

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
555.20	581.90	26.70	11.95	2.74	22
Incl. 558.20	581.90	23.70	12.47	2.91	23.5
Incl. 570.40	581.90	11.50	16.16	3.95	29
Incl. 576.40	580.05	3.65	28.25	6.18	44

Hole: A-05-30.

From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Silver (gr/t)
531.75	568.80	37.05	10.98	2.61	21.2
Incl. 543.47	567.30	23.83	15.02	3.27	28.5
Incl. 543.70	561.40	17.93	17.22	4.20	30.1

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Assay Samples and Assay Procedures

All core selected for analysis is split by diamond saw and sampled, with a maximum of 1.5 meters of core in each sample. These are placed in plastic bags and shipped in secure containers to Analytical Laboratories Ltd. in Vancouver, British Columbia, for analysis for zinc, lead and silver by aqua regia digestion followed by ICP emission spectrometry (Group 7A-ICP Multi-Element Assay). Check assays are carried out by Global Discovery Labs, also in Vancouver, employing aqua regia digestion followed by atomic absorption finish (Group 4).

John R. Fraser, P.Geo. (BC) is the Qualified Person for the Company and is responsible for the technical information contained in news releases.

About the Akie Property

The Akie property comprises a total of 22 contiguous mineral claims encompassing some 6,400 hectares, situated in the Omineca Mining Division of British Columbia. Between 1992 and 1996, Inmet Mining Corporation spent approximately \$5.4-million exploring the property, including approximately 13,000 metres of diamond drilling.

Variably siliceous, bluish-grey weathering, fine-grained clastic rocks of the Middle to Late Devonian 'Gunsteel formation' host a sheet-like body of laminated to massive pyrite and barite, with local finely laminated bands of sphalerite and galena mineralization, referred to as the Cardiac Creek Zone, that has a strike length of 1,600 meters, a dip extent of at least 800 meters and a true width of up to 30 meters.

The Akie deposit is open to expansion in tonnage and grade both along strike and down-dip.

For further information regarding the Akie property, the reader is referred to a NI 43-101 report, titled *Geological Report on the Akie Property*, dated October 24, 2005, by D.G. MacIntyre, Ph. D., P.Geo.(BC), which is filed on SEDAR at www.sedar.com.

Armstrong Brook Gold Property

The Company had an option agreement with Geodex Minerals Ltd. ("Geodex") to earn a 65% interest in Geodex's 100%-owned Armstrong Brook gold property, located in the Cape Spencer area near Saint John, New Brunswick, subject to the following terms:

- (i) by making the following cash payments to Geodex:
 - \$15,000 upon Exchange approval of the agreement (paid);
 - \$20,000 on the first anniversary; and
 - \$30,000 on the second anniversary.
- (ii) by issuing a total of 450,000 post-consolidated common shares to Geodex as follows:
 - 100,000 common shares upon Exchange approval of the agreement (issued);
 - 150,000 common shares due on the first anniversary; and
 - 200,000 common shares due on the second anniversary.
- (iii) by incurring minimum exploration expenditures of \$200,000 in the first year and a cumulative total of \$1,000,000 by the second anniversary of the agreement.

The Company would have been able to increase its interest to 75% by funding 100% of all exploration and development costs to the stage of completing a feasibility study. The claims were subject to a 1.5% NSR.

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The Company issued 50,000 shares as a finder's fee to a third party as per the terms of the option agreement. During the year ended June 30, 2006, management decided not to proceed with this option agreement. The Company introduced Geodex to Global Sortweb.Com Inc. ("Global") and entered into a finder's fee agreement as per the following terms:

- \$25,000 within seven business days from the date of acceptance for filing of the agreement
- \$10,000 within two months of the acceptance date

The Company has not collected these amounts yet.

Accordingly all acquisition and related exploration costs of \$ 65,367 were written-off during the previous year.

West Range Property

The Company entered into an agreement with West Range Exploration Ltd. ("West Range"), pursuant to which the Company has agreed to purchase all of West Range's interest held in its property located in British Columbia by making a payment of \$10,000 to West Range.

DA Properties

As of September 30, 2007, the Company beneficially owned an undivided 8.2% interest, subject, in part, to certain royalties and a royalty reduction option dated August 30, 1998, in twenty-four mineral claims and three mineral leases, known collectively as the Afridi Lake Property. The Afridi Lake Property is located southeast of Lac de Gras, approximately 335 km northeast of Yellowknife, Northwest Territories. The target mineral being sought on the property is diamond contained in kimberlite. To date, five kimberlite intrusions, with variable, but low diamond content, have been identified on the mineral leases.

On August 1, 2006, the Company entered into a joint venture agreement where by the Company holds 8.2% undivided interest in the mineral claims and three mineral leases, the latter subject to a 10% underlying NPI, a 5% GOR and a 5% NSR.

Mt Alcock Properties

During the year ended June 30, 2007, the Company entered into a property purchase agreement to acquire, a 100% interest, subject only to a 1% Net Smelter Returns (NSR) royalty, in 18 mineral claims located in the Mt. Alcock area of northeastern British Columbia in consideration of the payment of \$75,000 cash and the issuance of 200,000 common shares (100,000 issued shares upon TSX Venture Exchange ("Exchange") approval and 100,000 shares issued on or prior to nine months after the anniversary of the Exchange acceptance date) of the Company. The Company has an option to purchase the entire NSR from the vendor for the sum of \$1 million cash, subject to Exchange approval.

The Company paid \$75,000 cash and issued 100,000 shares on October 20, 2006 and issued 100,000 shares on July 6, 2007

Kechika Regional

On March 28, 2007, the Company entered into a definitive agreement with Megastar Development Corp. pursuant to which the Company will have an option to earn an initial 60% interest in Megastar's SEDEX zinc properties located in Northeastern British Columbia by spending up to \$2.25 million. Megastar's 100% owned SEDEX zinc properties are located within the highly prospective Gunsteel shale formation in the regionally extensive, world-class Kechika trough sedex zinc basin. The properties comprise over 18,000 hectares and are situated adjacent to and along strike from the favourable geology which is host to several zinc deposits including the nearby Akie deposit where drilling has intersected extensive high-grade SEDEX style mineralization.

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The Company will be the operator and can earn a 60% interest in Megastar's properties as follows:

- (i) Payment to Megastar of \$50,000 and the issuance of 50,000 shares of the Company upon signing a definitive agreement; (paid and issued)
- (ii) The issuance of 50,000 shares of the Company nine months from signing a definitive agreement;
- (iii) Payment to Megastar of \$100,000 and the issuance of 25,000 shares of the Company on or before the first anniversary of the signing of the definitive agreement; and
- (iv) Spending \$2.25 million in exploration and development over a three-year period.

Summary of expenditure incurred on various properties upto the period ended September 30, 2007:

	Akie Property	DA	Kechika Regional	Mt Alcock	West Range	Total
Acquisition Costs:						
Balance June 30, 2007	\$ 23,881,336	\$ 70,930	\$ 163,661	\$ 136,778	\$ 10,000	\$ 24,262,705
Additions	98,337	–	8,214	55,686	–	162,237
Balance September 30, 2007	23,979,673	70,930	171,875	192,464	10,000	24,424,942
Deferred Exploration Costs:						
Balance June 30, 2007	6,050,418	–	672	2,537	–	6,053,627
Additions	–	–	–	–	–	–
Geological Consulting	63,945	–	–	–	–	63,945
Drilling	5,971,213	–	–	–	–	5,971,213
Environmental Studies	196,709	–	–	–	–	196,709
Balance September 30, 2007	12,282,285	–	672	2,537	–	12,285,494
September 30, 2007	\$ 36,261,958	\$70,930	\$ 172,547	\$ 195,001	\$ 10,000	\$ 36,710,436

1.3 Selected Annual Information

Please see Management Discussion and Analysis for the fiscal year ended June 30, 2007.

1.4 Results of Operations

The following is a discussion of the financial condition, changes in financial condition and results of operations of the Company for the three months ended September 30, 2007 and 2006. There have been no major changes in accounting policies during these periods.

During the period ended September 30, 2007, the Company reported a loss of \$1,603,254 or \$0.02 per share compared to a loss of \$64,195 or \$0.00 per share during the period ended September 30, 2006, an increase in loss by \$1,539,059. The increase in loss was primarily due to increase in general office and administration expenses.

The administration expenses increased by \$7,500, investor relation expenses by \$160,880, management fees by \$15,000, rent by \$9,895, stock based compensation expense by \$1,396,735, transfer agent fees by \$1,052, travel and promotion by \$3,561, and wages and benefits by \$51,123, offset by decreases in consulting fees by \$33,409, office and miscellaneous expenses by \$2,816, professional fees by \$12,460, and increases in interest income by \$60,170.

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Total interest income during the period ended September 30, 2007 was \$107,109 compared to \$46,939 during the period ended September 30, 2006.

The increase in investor relations by \$160,880 during the period was a result of fees paid to various parties in connection to strategic public relations campaigns for increased investor awareness. The Company did not incur any investor relation fees during the period ended September 30, 2006.

The increase in management and administrative fees by \$15,000 and \$7,500, respectively were due to a management and administrative services agreement entered into by the Company effective October 2004 with a company controlled by a director of the Company whereby the Company agreed to pay management fees of \$5,000 per month and administrative fees of \$1,000 per month. The management fee was increased to \$7,500 per month and administrative fee to \$2,500 per month, during the year ended June 2006 and further increased to \$12,500 per month and \$5,000 per month respectively during the year ended June 30, 2007.

Travel and promotion increased by \$3,561 due to various travel expenses incurred by directors for presentations arranged for various potential European investors and newswire costs for various press release disseminations.

The Company recognizes compensation expense for all stock options granted, using the fair value based method of accounting and any cash paid on the exercise of stock options is added to the stated value of common shares. The Company recorded stock compensation expense of \$1,396,735 for the period ended September 30, 2007 as there were options granted. For the period ended September 30, 2006, the Company recorded \$nil in stock compensation expense as there were no stock options granted during the period.

1.5 Summary of Quarterly Results

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest Income	Net Earnings (Loss)	Earnings (Loss) per share
September 30, 2007	\$ 107,109	\$ (1,603,254)	\$ (0.02)
June 30, 2007	77,003	244,797	0.00
March 31, 2007	64,281	(689,994)	(0.01)
December 31, 2006	43,119	(910,184)	(0.03)
September 30, 2006	46,939	(64,195)	(0.00)
June 30, 2006	64,657	(86,959)	(0.00)
March 31, 2006	18,722	(1,357,382)	(0.06)
December 31, 2005	1,211	(419,581)	(0.03)

Over the past eight fiscal quarters there have been no significant trends.

1.6/1.7 Liquidity and Capital Resources

The Company reported a working capital of \$7,877,922 at September 30, 2007 compared to a working capital of \$8,774,470 at June 30, 2007, representing a decrease in working capital by \$896,548. Net cash and cash equivalents on hand increased by \$573,846 from \$9,148,681 at June 30, 2007 to \$9,722,527 at September 30, 2007. The increase in cash resulted from an increase of \$5,621,755 through issuance of capital stock net of issuance costs, cash generated from operations of \$556,429, offset by resource properties costs of \$5,604,338.

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Current assets excluding cash and cash equivalents as at September 30, 2007 consisted of receivables of \$704,694 which consists of GST recoverable of \$441,776, accounts receivable of \$92,913 and interest receivable of \$170,005, deposits held in trust of \$13,000 and prepaid expenses of \$859. Current assets excluding cash and cash equivalents as at June 30, 2007 consisted of receivables of \$340,794 which consists of GST recoverable of \$151,496, accounts receivable of \$93,568 and interest receivable of \$95,730, deposits held in trust of \$13,000 and prepaid expenses of \$711,362.

Current liabilities as at September 30, 2007 consisted of accounts payable and accrued liabilities of \$2,563,158 (June 30, 2007 - \$1,439,367).

During the period ended September 30, 2007, the Company generated net cash of \$5,621,755 from its financing activities as follows:

- (i) the Company completed a non-brokered private placement of 3,500,000 flow-through shares at a price of \$1.50 per share and 550,000 non flow-through shares for total gross proceeds of \$5,937,500.

An aggregate of \$252,350 was paid as finders' fees and another \$49,160 was paid in legal and regulatory costs on this private placement.

- (ii) the Company issued another 24,291 shares as part of Ecstall take over. A total of \$14,234 was incurred as costs associated with the take-over bid.

The other sources of funds potentially available to the Company are through the exercise of outstanding stock options, share purchase warrants and brokers' warrants. See *Item 1.15 – Other Requirements – Summary of Outstanding Share Data*. There can be no assurance, whatsoever, that any or all of these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

During the year ended June 30, 2005, the Company wrote-off all of its interests in the DA and AYL properties located in the Northwest Territories. During the year ended June 30, 2006, the Company wrote-off all of its interest in the Armstrong Brook Gold property located in New Brunswick in order to focus purely on its Akie zinc-lead property located in British Columbia. See *1.2 Over-all Performance – Akie Property* for a full disclosure on this property.

The Company's overall success will be affected by its current or future business activities. The Company is currently in the process of acquiring and exploring its interests in resource properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of expenditures incurred to earn an interest in these resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

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1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.9 Transactions with Related Parties

During the period ended September 30, 2007:

- (a) the Company paid or accrued \$37,500 (2006 – \$22,500) for management fees and \$15,000 (2006 – \$7,500) for administrative fees to a company controlled by a director and an officer of the Company.
- (b) the Company paid or accrued \$28,804 (2006 - \$6,870) for consulting and geological services fees, included in resource properties, to a company controlled by a director of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

1.10 Subsequent Events

Subsequent to the period ended September 30, 2007,

- (a) the Company announced a private placement for 1,875,000 flow through shares at a price of \$1.60 per share for gross proceeds of up to \$3,000,000. A finder's fee of 5% will be paid on a portion of the private placement.

The Company also announced an additional private placement with Lundin Mining Corp. of up to 295,000 shares at a price of \$1.30 per share for gross proceeds of up to \$383,500.

The private placements above are subject to TSX Venture Exchange approval.

- (b) a total of 20,994 warrants were exercised for gross proceeds of \$18,470
- (c) a total of 197,500 options were exercised for gross proceeds of \$101,375

1.11 Proposed Transactions

No disclosure necessary.

1.12 Critical Accounting Estimates

Not applicable to Venture Issuers.

1.13 Changes in Accounting Policies including Initial Adoption

None.

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1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, deposits held in trust, receivables, marketable securities and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial statements approximate their carrying value, unless otherwise noted.

1.15 Other Requirements

Summary of outstanding share data as at November 29, 2007:

- | | | |
|-----|---|------------|
| (1) | Authorized: Unlimited common shares without par value | |
| | Issued and outstanding: | 67,614,108 |
| (2) | Stock options outstanding: | 6,765,895 |
| (3) | Warrants outstanding: | 7,083,724 |

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at September 30, 2007. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

The Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Controls Over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management has reviewed these controls and concluded that the design of internal controls over financial reporting is effective as of September 30, 2007 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

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Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Peeyush Varshney"

Peeyush Varshney
Director
November 29, 2007