AFRICAN AURA MINING INC. (Formerly Mano River Resources Inc.)

Management's Discussion and Analysis
For the quarter ended September 30, 2009

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The following discussion is management's assessment and analysis of the results and financial condition of African Aura Mining Inc. (the "Company" or "African Aura") based upon Canadian Generally Accepted Accounting Principles ("GAAP") and should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes for the nine month period ended September 30, 2009. The Company changed its name from Mano River Resources Inc on October 13, 2009, the day it completed the merger with African Aura Resources Limited (AAR). This management discussion and analysis has been prepared based on information available to the Company as at November 27, 2009. Unless otherwise indicated all amounts are in US dollars.

Additional information relating to the Company is available on SEDAR at www.sedar.com or on the Company's website at www.african-aura.com.

1. OVERVIEW

(a) DESCRIPTION OF BUSINESS

African Aura is an exploration and development company with a prospective portfolio of gold and diamond projects and an investment in the Putu iron ore project in West Africa. The original key driver for the business was to identify archaean deposits in the Man Craton of West Africa which covers South-eastern Guinea, Sierra Leone and Liberia. African Aura has subsidiaries in each of these countries, which hold interests in mineral properties. African Aura has a strong presence in each of the countries in which it operates; has a loyal and strong workforce and supports the local economies by sourcing services and supplies locally wherever possible. Besides creating job opportunities the company participates in many social programmes. The Company is listed on the TSX Venture Exchange (TSX-V Ticker AUR) and the AIM Market of the London Stock Exchange (Ticker AAAM).

(b) COMPANY HISTORY

The Company was formed in 1998 by a reverse takeover involving the sale of the interests of Mano River Resources Ltd into Zicor Mining Inc. with a subsequent change of name to Mano River Resources Inc.

Mano River Resources Ltd, a BVI registered company, was founded in July 1996 by Guy Pas. At the time of the reverse takeover, the Company and its subsidiaries had spent over $2.4 million in establishing an in-country presence, acquiring, evaluating and exploring the properties.

Mano River Resources Ltd acquired upon its establishment the pre-existing assets of Golden Limbo Rock Resources Ltd in Guinea, of Golden Leo Resources Ltd in Sierra Leone, and exploration permits and extensive research in Liberia, for a total value of $5M paid in shares.

Golden Limbo Rock Resources Ltd had been actively exploring in Guinea since late 1994, and Golden Leo Resources Ltd researched Sierra Leone's potential in the course of 1995, subsequently applying for licences immediately following the election of 1996.

Licences were also obtained in Liberia where, in 1995, a Liberian geologist started assessing the geology.

From its Guinea base, the Company expanded into Sierra Leone and Liberia in 1996, always with gold prospecting as its main target. Typically part of pioneering, the Company had to deal with the serious aftershocks of the civil conflicts in Sierra Leone (1997-2002) and in Liberia (2002-2003). At the same time the Company faced a prolonged period of historically depressed gold prices resulting from unusual producer hedging and central bank activity (1996-2003). Given all of this, the Company's initial 8 years were characterised by survival strategies.

On October 13, 2009 the Company completed the merger with AAR. The effects of this merger have not been included in the financial statements as at September 30, 2009 as it is a subsequent event.

(c) STRATEGY

Corporate Strategy

The Company's corporate strategy is to develop its assets into producing mines and to generate positive cashflow as soon as possible in order to deliver increased shareholder value. The Company looks to achieve this through both organic growth and corporate transactions such as the merger with AAR. AAR brings with it some very exciting assets in our key focus areas. The Company expects to continue to focus on West Africa where it has experience, strength and depth. From a commodity perspective, the Company's primary focus will be on gold and iron ore. The first operating revenue in the Company's history were made by its 58.5% owned subsidiary Stellar Diamond Ltd ("Stellar") in quarter 2, 2009 from diamonds mined at the Mandala project in Guinea. Realising the value of our diamond division, is still very important to the Company, and with this in mind the Company announced on October 27, 2009 that heads of agreement had been reached between Stellar and AIM listed West African Diamonds Limited ("WAD") to undertake a combination of business interests that, if successful will constitute a reverse takeover of WAD.

Business Strengths

The Company's management believes it is well placed to implement its strategy through the business strengths listed below:

A Strong Portfolio of Assets

The Company has a strong portfolio of assets which include:

- The 100% owned New Liberty gold project in Liberia which is presently the subject of a 10,000m confirmation drilling programme and has a measured and indicated resource of 1.384 million contained ounces (13.533 million tonnes of measured and indicated resources grading at 3.18 g/t gold – NI 43-101 compliant). A bankable feasibility study for an open pit and underground mine scenario is planned to commence in 2010;
- The Company's 44.4% owned Putu iron ore project in Liberia which is presently the subject of a 27,000m drilling programme being undertaken by the Company's joint venture partner OAO SeverStal Resurs (Severstal). Putu has a NI 43-101 compliant inferred resource of 1.08 billion tonnes of iron ore at 37.6% iron from approximately 20% of the strike length of the Putu target drilled to date; and
- The Mandala alluvial project in Guinea which is currently producing diamonds and is cash flow positive at the project scale.

Experienced Management Team

The Company's current board of directors, has many years of experience of operating in Africa and taking projects through to development and production. There is a balanced representation of directors with operational, corporate and financial bacgrounds. The successful completion of the merger with AAR strengthened the board with the appointment of Mr David Netherway and Mr Steven Poulton.

David Netherway is a mining engineer with over 30 years of experience in the mining industry and is the CEO of Shield Mining Ltd., an Australian listed gold exploration company. David has also held senior management positions in a number of gold mining companies, including Golden Shamrock Mines, Ashanti Goldfields and Semafo Inc. He is currently the Chairman of GMA Resources plc and a director of the KazakhGold Group and ALTUS Resource Capital Ltd.

Steven Poulton holds an honours degree in Geology (Southampton) and a masters degree in Mining Geology (Camborne School of Mines). He is the CEO and co-founder of private resource investment group ALTUS Strategies Ltd and is a director of ALTUS Asset Management Ltd, a subsidiary and the investment manager of Altus Resource Capital Ltd. Steven worked for the Company from 1998 to 2005. In 2002 he co-founded AIM listed Ariana Resources and in 2004 he was the founder of AAR. He is a non-executive director of diamond producer Stellar Diamonds Ltd, a majority owned subsidiary of African Aura.

Strong Partnerships

The Company has strong technical and financial partners, in Severstal to help develop the Putu Project and in Golden Star Resources who are the operator of the Sonfon gold project in Sierra Leone.

Managed Risk

The Company seeks to manage and mitigate its political and economic risk by operating in three countries (Liberia, Sierra Leone and Guinea) and in three minerals, namely gold, iron ore and diamonds.

Technically Strong

The Company has experienced exploration teams in the countries in which it operates with the flexibility to work across the region in areas where the geological setting is well understood. The Company employs up-to-date technological tools to better focus its exploration efforts.

(d) ON-GOING PROJECTS

Detailed below is a summary of the main on-going projects and their status:

Country	Project	Commodity	Current Status	Future Plans	Ownership	Financial Statements
Liberia	Putu	Iron ore	Drilling in 2009	MDA[4]	Severstal 55.67% control	Associate[5]
Liberia	NLGM	Gold	Drilling in 2009	Feasibility study 2010	African Aura 100%	Subsidiary
Liberia	Weaju	Gold	Drilling in 2009	Further exploration	African Aura 100%	Subsidiary
Sierra Leone	Sonfon	Gold	Care & Maintenance[2]	GSR reviewing options	GSR 51%	Subsidiary
Sierra Leone	Kono	Diamonds	Care & Maintenance[3]	Full production	Petra 51%	Subsidiary [1]
Guinea	Mandala	Diamonds	Full production[6]	Full production	Stellar 100%	Subsidiary [1]
Sierra Leone	Tongo	Diamonds	Care & Maintenance	Further exploration	Stellar 100%	Subsidiary [1]
Guinea	Bouro	Diamonds	Care & Maintenance	Further exploration	Stellar 100%	Subsidiary [1]

[1] Held by Stellar in which the Group has a 58.5% holding.
[2] Golden Star Resources (GSR). GSR have met the financial commitments to now earn 51% of the project
[3] Temporarily on care and maintenance due to depressed diamond prices. See press release of May 21, 2009.
[4] Mineral Development Agreement. See section 2(a) for further details.
[5] African Aura holds a 44.33% interest in Severstal Liberia Iron Ore Ltd.
[6] Production started quarter 2, 2009.

2. EXPLORATION PROJECTS

(a) IRON ORE

The Company announced an independent Inferred mineral resource of 1.08 billion tonnes of iron ore mineralisation at a 37.6% grade of total iron, which was prepared by SRK Consulting (UK) Ltd and announced on August 3, 2009 at its 44.33% owned Putu Iron Ore Project in south-eastern Liberia. The resource estimate at Putu has been prepared under the guidelines of National Instrument 43-101 and covers less than one quarter of the 12km strike of the Putu project. Although early in the exploration of this project these results are very encouraging and show the potential for the Putu resource to grow as exploration continues.

Putu is located in the centre of a 425 square kilometre exploration licence in Grand Gedeh County of eastern Liberia. The project consists of two prominent ridges, namely Mt. Jideh and Mt. Ghi. Mt Jideh is the priority target and has a strike length of approximately 13km based on mapping, surface sampling and airborne magnetic data. In October 2008 the Government of Liberia granted the Company a two year extension to the Putu exploration licence, extending it to September 30, 2010. The Company is currently seeking the issuance of a 25 year MDA for Putu.

The Company signed certain financing and development agreements with Severstal on May 22, 2008 and subsequently completed the transaction on December 10, 2008. On completion Severstal agreed to pay Mano a total consideration of $12.5 million for a 25% share in African Iron Ore Group (renamed Severstal Liberia Iron Ore Ltd – SLIO) effectively valuing the project at $50 million. Severstal paid the Company $8.3 million in December 2008, with the balance of $4.2 million deferred until December 2010. Upon payment of the balance owing, Mano's interest in the project holding company SLIO, will reduce to 38.5%. Severstal intends to invest a further $30 million in order to advance the project towards a definitive feasibility study.

A 3,960m core drilling programme for geological characterisation was completed at Putu in December 2008. Assays from all 11 holes have now been received from OMAC and can been seen in the Company's press release dated August 3 2009. The best itabirite intersection in haematite mineralisation included 63m at an average grade of 63.5% iron and in magnetite mineralisation of 367m at an average grade of 39% iron. The drill results displayed excellent grade characteristics and indicate that the Putu project has significant iron ore potential.

The main progress achieved in quarter 3 is detailed below:

- Commenced metallurgical and resource delineation drilling at Mt Jideh;
- Completed preparations for airborne and ground magnetic surveys;
- Construction continued on the project camp on a site adjacent to Petrokon (Tiamah) Town – the guard house, security fencing and light vehicle workshop were completed, fuel tanks and associated pipe-work were delivered to enable completion of the 44,000 gallon capacity fuel storage facility, and foundations were laid for the junior / senior accommodation blocks, the messing and office blocks, and for the core shed;
- Road access to three planned drilling locations was established, together with the required drilling pads;
- Rehabilitation of the Pennoken to Jaywodee road was completed, and grading was undertaken of the road between Jaywodee and the main Greenville to Zwedru road;
- Construction of a first aid post at Petrokon Town was completed and building fit out commenced; and
- Negotiations with the government to secure a mineral development agreement (MDA) continued

The key priorities for quarter 4, 2009 are to substantially advance the current 27,000m resource drilling programme and metallurgical testing and continue the process to obtain a MDA.

Commodity prices in 2009 have recovered significantly from the lows of 2008 and the outlook for iron ore is gradually improving. Management of the Company look forward to a very different market environment by 2013, by which time Putu should be looking for development funding in advance of production targeted for 2016/17.

The Company's effective 44.33% interest in SLIO is recorded in the financial statements as an investment in associates whereas prior to the completion of the Severstal transaction on December 10, 2008 it was treated as an 80% owned subsidiary of the Company.

(b) GOLD

New Liberty Gold Mine (NLGM), Liberia

The key asset in the Gold division is the 100% owned NLGM property, a project situated some 90km north of the capital city Monrovia, Liberia where the Company has a NI 43-101 compliant gold resource estimate of 1.38M contained ounces (13.533M tonnes of measured and indicated resources grading 3.18 g/t gold). The most recent drilling programme which was completed in quarter 2, 2008 brings the total number of holes drilled at NLGM to 130, totalling 15,313m. The results received from the 2008 drilling programme confirm that there is potential to expand the current resource estimate through delineation of further resources at depth.

In September, 2008 AMC Consultants (UK) Ltd ("AMC"), undertook a conceptual mining study on the potential of NLGM for an underground mining operation. AMC concluded that although there appeared to be good potential for underground exploitation, additional infill drilling work is required to depths of up to 300 metres to define the underground resource potential.

With plans to accelerate the exploration programme at NLGM the Company has recently recruited a General Manager Operations, and one of his key tasks will be to oversee this important development. Following on from the AMC report, drilling started in October, 2009 and a revised feasibility study for an underground mine, aiming for annual production greater than 100,000 oz, is expected to commence in 2010.

On August 10, 2009 the Company announced that it had been granted by the Government of Liberia a Class A Mining Licence within the Bea Mineral Development Agreement. This represents another positive step towards commercial production. The support of the Government of Liberia is important to achieving the Company's goals. The Company has developed a new geological model for NLGM which incorporates the positive drill results received in 2008 from below 200m, including 23m grading at 4.95 g/t and 26m grading 5.04 g/t. This model has been used in developing the drill targets for the current drilling programme.

Weaju gold project, Liberia

The other main gold asset in Liberia is Weaju which is situated 30km to the east north east of NLGM and is part of the Bea Mountains Mineral Development Agreement (MDA). Mineralisation is concentrated in shear zones, along a contact zone between granite and schist-belt lithologies, into which quartz-tourmaline veins and pegmatites have been intruded. A soil geochemical grid and geological mapping demonstrated a strike length of 1.5 km in an east north-east trend for the mineralisation, open to the east and west. Artisanal workings have confirmed the continuity of mineralisation and previous drilling intersections have included 19.63 g/t gold over 6m from a depth of 18m and 27.72 g/t gold over 6m from a depth of 47m.

On November 11, 2009 the Company announced that it plans to undertake a 4,000 metre diamond drill programme to define a maiden resource estimate for the project.

Sonfon gold project, Sierra Leone

The Sonfon project is under joint venture with Golden Star Resources (GSR) and Nyota Minerals Ltd (formerly Dywka Resources Ltd). Sonfon is considered to be the Company's most significant and highest potential gold prospect in Sierra Leone. GSR has met its expenditure commitments under stage three of the agreement and therefore their beneficial interest in the project is now 51%.

Under the agreement the Company has the right to elect to contribute pro-rata to a feasibility study to retain a 49% interest. If the Company decides not to elect to contribute (its share will dilute to 35%); GSR may sole fund the feasibility study to earn a further 14% interest, thereby taking its joint venture interest to 65%.

Upon completion of a positive feasibility study, GSR may elect to proceed to mine development. The Company has the right to contribute pro rata to any mine development to retain its interest or dilute to either a 15% or 29% free carried interest depending on its earlier elections to co-fund the feasibility study and mine construction. The Company will also retain a 2% net smelter royalty on production in excess of the first 1 million ounces of gold from the project.

Under a separate agreement dated May 2002, the Sonfon licence was joint ventured with Nyota Minerals Ltd in a 50:50 joint venture basis. Nyota Minerals retains a 50% interest in African Aura's share of the project. As a result the Company and Nyota each hold a 24.5% interest in the project.

GSR is the operator of the joint venture and completed a diamond and Rotary Air Blast (RAB) drilling programme in the second half of 2008 which intersected zones of sulphides with good gold grades. The project is currently on care and maintenance while GSR and the Company review the project. From discussions with GSR management it would appear that further exploration work, including drilling, is required before a decision can be made on whether to undertake a feasibility study or not. A decision will be made by the parties on the future of the project during quarter 4 2009.

(c) DIAMONDS

In 2007, the Company transferred its diamonds properties which had a book value of $8,276,081 to its subsidiary Stellar in exchange for 19,239,541 shares of Stellar. The exchange was recorded at book value as it was a transaction between companies under common control. In 2007, Stellar completed two private placements in order to raise funds to finance the development of its diamond interests. In the first placement 1,211,890 shares were issued at an effective price of £0.87 pence per share. Of those shares 918,484 were issued for cash consideration, raising proceeds of £800,000 ($1,571,438), while the remaining 293,406 shares were issued to the subscribers in consideration for forfeiture of certain rights as a result of the diamond reorganisation. In the second placement 4,822,044 shares were issued at a price of £0.871 pence per share for proceeds of £4,200,000 ($8,611,361). In addition, Stellar issued 2,411,022 warrants in 2007 with a two year term and an exercise price of £1.20 per share as well as 260,390 adviser's options with a two year term at an exercise price of £0.871 pence per share. As a result of these share issues by Stellar, the Company recorded a dilution gain of $6,207,005 in the year ended December 31, 2007.

On March 31, 2008 Stellar issued 2,375,000 shares at a price of £1 per share for gross proceeds of £2,375,000 ($4,724,571). On December 19, 2008, Stellar issued a further 15,567,675 shares at a price of £0.20 pence per share for gross proceeds of £3,113,535 ($4,802,208). The Company purchased 6,920,000 of these shares for £1,384,044 ($2,134,701). At the same time Stellar settled debt of £622,356 ($1,194,766) owing to the Company through the issue of 3,111,781 shares at a price of £0.20 pence per share. As a result of these share issues, the Company recorded a dilution gain of $1,231,793 in 2008.

The intention of the Company back in 2007/08 was to list Stellar on AIM but due to difficulties in raising finance in the past two years the process was postponed. During 2008 the Company's interest in Stellar reduced from 68.51% to 59.6%, as a result of a number of private equity financings identified above. In the nine months to September 30, 2009 Stellar did not raise further funds but it did issue 889,500 shares at £0.20 per share. The Company's interest in Stellar after the issue of these shares is 58.54%.

Due to the depressed state of the diamond market, the Kono project in Sierra Leone, which is joint ventured with Petra Diamonds, has been placed on care and maintenance. The current priority is to increase production at the Mandala alluvial diamond project in Guinea.

In April 2009 the 535,000 carat Mandala alluvial diamond project entered commercial production.

Stellar has closed two convertible debt financings in 2009. In May it raised $574,991, with Mano contributing $200,000 of this amount. The lenders have the option to convert the debt to equity in Stellar at £0.20 per share before the end of January 2010, and if they elect to convert they will be awarded a full warrant at £0.25 to expire on June 30, 2010. The second convertible debt was issued in September and raised £300,000 ($478,169). This convertible is repayable on January 21, 2011 and bears interest of 16.5% per annum. The principal amount is convertible into common shares of Stellar at a conversion price of the lesser of the IPO price or £0.20 per share at any time prior to maturity. The holder will be issued one share purchase warrant for each ordinary share issued pursuant to the conversion which shall be exercisable at the lesser of £0.25 per share or a 25% premium to the IPO price per share expiring 24 months after IPO.

Stellar has recently signed a non-binding Heads of Agreement with AIM quoted company WAD, with a view to completing a reverse takeover (RTO) in quarter 1, 2010. Although the details of the transaction are still to be finalised it is likely that Stellar will comprise approximately 75% of the enlarged entity.

Stellar has appointed Royal Bank of Canada as advisors to the transaction and to the enlarged company after the re-admission to trading. Over the next two to three months the parties will compile the necessary documentation with the objective of marketing and completing a financing at the time of the RTO. The use of proceeds will be directed towards developing the kimberlite projects and improving production capacity.

The Board of Stellar believes that this strategy of consolidation will position the Company for growth in an improving capital and diamond market.

Kono diamond project, Sierra Leone

On September 10, 2004, the Company and Petra Diamonds ("Petra") entered into a joint venture for the production of diamonds from the underground mining of diamond-bearing kimberlite dykes defined within Mano's three contiguous licence areas (Yengema, Njaiama and Nimini South) in the Kono diamond district in east Sierra Leone. This is in the heart of the renowned Kono diamond fields that has yielded some spectacular diamonds, including the third largest gem diamond ever found, the 972-carat Star of Sierra Leone. Under the terms of the agreement Petra earned a 51% interest in Mano's 100% owned subsidiary, Basama Diamonds Ltd., by spending $3 million over three years.

During 2008 underground trial mining and bulk sampling continued on the PoI-K and Bardu kimberlite fissures. Underground trial mining has produced a total of 4,400-carats of diamonds to date, with the three largest rough stones recovered being 11.95, 11.45 and 10.55 carats in weight and being of gem quality. In September 2008 it was decided to sell a small parcel of PoI-K and Bardu diamonds in order to test the market conditions. Some 811-carats of PoI-K diamonds were sold for an average of $152 per carat, whereas a parcel of 253 carats from Bardu realised an average value of $54 per carat. At the time, neither of these parcels was considered to be representative of what could be the future run of mine product. In April 2009, 2697 carats from Kono were sold to further test market conditions. The sale realised $125,000 at an average of $46.35 per carat, significantly below the price achieved in September 2008 and reflecting the difficult market conditions faced by Stellar. The most recent sale of 271 carats in June 2009, realised an average price of $85 per carat.

At the Pol-K shaft trial stope mining stopped between 30m to 65m depth, being designated Level 1. The kimberlite is on average 60cm in width with an in-situ grade of approximately 65 carats per hundred tonnes ("cpht"). When placed on care and maintenance the shaft at Pol-K was at 84m depth. The second stopes were planned to be opened up at a depth of 95m.

At Bardu the development drive at 45m depth continued in the south west direction. At a distance of 100m from the shaft the fissure opened up to a width of 3m. This swell was followed for a further 15m where it narrowed to a width of 1.6m. Processing of 103 tonnes of this swell kimberlite yielded 144 carats for a grade of 140 carats per hundred tonnes. The diamond quality from this new kimberlite swell is better than the previous samples from Bardu, with less coated and more gem quality, including 16 diamonds over 1 carat, the largest being 2.9 carats in size. Based on the diamond result, mineralogy and physical appearance it is clear that a different, higher grade and better quality kimberlite has been intersected in this development drive.

In January 2009, Stellar reached agreement with Petra Diamonds to assume management control of the Kono project for the duration of 2009. Prior to placing the project on care and maintenance Stellar sole funded the project. In December 2009 Petra will have the right to either reimburse Stellar 51% of the expenditure incurred or dilute its equity interest in the project.

Stellar takes a long term view on Kono and follows the strategy of developing the project to be Sierra Leone's first underground diamond mine. However, due to weak diamond prices in the rough diamond market, management made the decision earlier in the year to suspend operations and place the project under temporary care and maintenance until rough diamond prices recover. In line with the strategy to maintain Kono on care and maintenance it was decided to write down the value of our interest in the project by $7 million. This impairment charge is reflected in the quarter 3 financial results.

Mandala diamond project, Guinea

The Mandala alluvial diamond project is 100% owned by Stellar and comprises two alluvial mining concessions in the south east of Guinea.

The Mandala project has an independently verified indicated diamond resource of 535,000 carats (NI 43-101 compliant). The in-situ grade of the gravel resource is considered high at 38cpht and before the recent downturn in the diamond market the diamond value was expected to be in excess of $65 per carat. However, even at half this diamond value Stellar expects the project to be cash positive due to forecast low operating costs.

Commissioning and initial production material has come from numerous areas within the mining concession as Stellar embarked on a large-scale bulk sampling programme in order to test the resource and the plant's capability to handle the material. This has led to the recovery of some 7,670 carats at an average grade of 0.88 carats per cubic metre (approximately 44 carats per hundred tonnes). The largest diamonds produced to date weigh 31.33ct, 12.94ct, 10.93ct, though these are not of gem quality. However, some excellent quality gemstones of 4.66ct, 3.98ct, 3.73ct and 3.33ct have been recovered.

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The new 100 tonne per hour DMS processing plant at Mandala was constructed and commissioned during April 2009. Mandala was forecast to produce on average 10,000 carats per month for the period May to December. Production has averaged 7,000 carats per month level - the shortfall is principally due to the higher than average rainfall during the period and the longer commissioning period. Management is confident that 10,000 carats per month can be achieved with an expected average price for 2009 is likely to be in the region of $30 per carat, down from the previous estimate of $40 per carat.

Mandala Production Summary

As of October 11, 2009 some 36,466 carats have been produced from 42,346 cubic metres of diamond bearing gravel, at a run of mine (diluted) average grade of 0.86 carats per cubic metres (44cpht approximately). Over 2,000 stones of greater than 1 carat in size have been recovered, with the largest gems being 8.35ct and 7.89 carats in size.

The recovered grade of 44cpht far exceeds the originally estimated average recovered resource grade in our 2008 Competent Persons Report of 23cpht. We believe this is primarily due to better production efficiency and stricter security controls than was implemented during previous geological evaluation and bulk sampling programmes. The Company therefore expects that the diamond resource is likely to be higher than the independently assigned indicated resource of 536,000 carats. A Competent Persons Report will be completed in quarter 4, 2009 and the resource statement revised at that time.

The run of mine production at Mandala is primarily of so-called Indian goods of lower quality and value. However, an element of excellent quality gem diamonds and fancy colours (yellow, green, pink) is present. The largest gems produced to date are:

- 8.35ct unvalued (but of excellent quality)
- 7.89ct valued at $31,560 ($4,000 per carat)
- 5.95ct valued at $10,115 ($1,700 per carat)
- 4.99ct valued at $13,722 ($2,750 per carat)
- 4.84ct valued at $13,310 ($2,750 per carat)

Mandala Diamond Sales Summary

The Mandala plant was commissioned in April, 2009 and the sales to June 30, 2009 amounted to 7,452 run of mine carats sold at an average of $27.44 per carat. In the third quarter sales amounted to 5,109 run of mine carats at an average of $70.60 per carat. The higher average is due to the higher proportion of gem diamonds sold versus industrials. Sales to September 30, 2009 amounted to 12,561 run of mine carats at an average of $44.88 per carat. Sales to October 15, 2009 amounted to 33,500 carats for a value of $1,027,333 at an average of $30.66 per carat.

Other Diamond Projects

Other exploration projects including Tongo and Bouro in Guinea have been placed on care and maintenance until Stellar is generating cash revenues and is self-financed.

3. SUMMARY OF PERFORMANCE

(a) SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

The following table provides a summary of the annual audited consolidated financial information for the three most recently completed financial years as derived from the audited consolidated financial statements and is prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

US Dollars	Year ended December 31 2008	11 months ended December 31 2007 RESTATED	Year ended January 31 2007
Interest income	74,484	148,041	53,181
Administrative and office expenses	1,044,292	63,236	8,747
Project impairment	11,250,591	-	-
Professional fees	1,938,650	958,629	408,080
Dilution gain	7,157,964	6,207,005	-
Stock option compensation expense	1,455,625	2,053,887	513,361
Gain on disposal of assets	7,762,899	-	-
Net income/(loss)	1,841,014	2,740,695	(959,609)
Basic and diluted income/(loss) per share	0.006	0.009	(0.004)
Working capital	6,939,955	2,868,877	428,368
Total assets	54,749,687	45,501,911	28,866,715
Exploration expenditure in the year	10,402,580	6,526,656	8,443,801
Deferred exploration costs	27,316,442	29,918,050	23,391,394
Long term liabilities – convertible debentures	2,048,638	2,260,738	-

(b) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

The following is the selected financial information of the Company for the last eight quarters: (unaudited)

US Dollars	September 30 2009	June 30 2009	March 31 2009	December 31 2008
Operating revenue	359,161	204,544	-	-
Interest income	19	1,143	1,514	2,168
Dilution (loss)/gain	24,385	(52,669)	-	5,327,344
Net income/(loss)	(4,787,763)	(2,923,267)	(611,080)	8,944,998
Basic and diluted income/(loss) per share	(0.015)	(0.011)	(0.002)	0.028
Total assets	44,307,648	52,765,793	53,661,289	54,749,687
US Dollars	September 30 2008	June 30 2008	March 31 2008	December 31 RESTATED 2007
Interest income	21,415	32,676	18,225	79,784
Dilution gain	-	442,840	1,387,780	6,207,005
Net income/(loss)	(5,362,222)	(996,109)	(745,653)	3,980,931
Basic income/(loss) per share	(0.017)	(0.003)	(0.002)	0.013
Diluted income/(loss) per share	(0.017)	(0.003)	(0.002)	0.012
Total assets	47,082,223	51,393,067	48,617,142	45,501,911

The Company's performance is not affected by seasonal trends. Although the Company started to produce revenue from diamonds in quarter 2, it is still a predominantly exploration and development company and is unlikely to generate a positive operating cash flow for the foreseeable future. As an explorer the Company has historically incurred losses, however, in the quarters ended December 31, 2007 and December 31, 2008 the Company recorded a net income of $3,980,931 and $8,944,998 respectively. The income in these two quarters arose as a result of one-off transactions. In the quarter ended December 31, 2007 the main reason for the income was the dilution gain recorded on consolidation of Stellar of $6,207,005. In the quarter ended December 31, 2008 there were several one-off transactions which affected the income including: dilution gains on Stellar and SLIO; gain on the sale of shares in SLIO; and the higher impairment charge.

(c) RESULTS OF OPERATIONS

(i) INCOME STATEMENT

(a) Review of three months ended September 30, 2009 (unaudited) compared to the three month period ended September 30, 2008 (unaudited).

Sales amounted to $359,161 in the quarter three but with operating expenses of $1,369,995 a operating loss of $1,010,834 was recorded. The operating costs included depreciation of $780,297. Profitability will increase as diamond production improves, but with diamond prices still depressed the trading conditions for the remainder of 2009 will continue to be difficult. The loss for the quarter amounted to $4,787,763 which was $574,459 or 10.7% lower than the corresponding period last year. The main reasons for the lower loss in comparison to last year are: an increase in the non-controlling interest (up $3,150,613); higher foreign exchange differences (up $538,927 - a gain of $348,853 versus an exchange loss of $190,074 last year); off-set by the operating loss of $1,010,834 and higher expenses of $2,123,779. The main reason for the higher expenses was the higher impairment up $1,751,905 – included in the project impairment was a write down on Kono of $7 million. In quarter 3, year to date expenses relating to the merger with AAR were transferred to shareholders' equity on the certainty that the merger will complete.

(b) Review of nine months ended September 30, 2009 (unaudited) compared to the nine month period ended September 30, 2008 (unaudited).

The loss for the nine months ended September 30, 2009 at $8,322,110 is $1,218,126 higher than the corresponding period last year. The higher loss can be explained by: higher expenses of $3,614,378 (impairment up $2,274,192; interest on convertibles up $545,638 due to the impact of accretion; stock compensation down $592,266; an unrealised gain on convertible debentures was recorded in 2008 of $718,210 versus a loss in 2009 of $128,922 resulting in an unfavourable movement of $847,132; professional fees are $1,142,377 below last year which included costs in relation to the postponement of Stellar's listing on AIM; and an unfavourable movement on the dilution in Stellar increased the loss by $1,907,674 over last year). In addition to the higher expenses the operating loss in the period of $1,905,039 added to the unfavourable movement versus last year. Finally, the non-controlling interest in 2009 at $4,325,880 (2008:$742,155) resulted in a favourable movement in the period of $3,583,725.

(ii) **BALANCE SHEET, LIQUIDITY AND CAPITAL RESOURCES**

(a) Balance Sheet at September 30, 2009

Total assets at $44,307,668 are $10,442,019 down on last year's figure principally due to the impairment at Kono. Cash is down $5,769,858 to $3,108,048. Of this figure $3.3 million was spent on deferred exploration including $1.6 million on New Liberty gold project where we secured the Class A Mining licence in August and $0.6 million on Mandala prior to commencing production. Property, plant and equipment increased by $6.4 million - due principally to the transfer of the Mandala acquisition and deferred exploration costs ($7.5 million) and the creation of a rehabilitation provision on Mandala of $170,100. The Mandala property, plant and equipment is depreciated over the life of mine. Accounts payable and accrued liabilities at $1,664,435 include accruals of $882,943.

(b) Cash Flow for the nine months ended September 30, 2009

The cash outflow in the period amounted to $5.8M. The majority of the outflow was spent on investing activities ($3.5M), specifically project expenditure as detailed above. It also included additional costs for commissioning of the Mandala plant of $0.25M. Operating outflow totalled $2.4M which includes normal on-going corporate overheads.

(d) OTHER INFORMATION

(i) Outstanding share data

The Company is authorised to issue an unlimited number of common shares without par value. As at November 23, 2009 there were 317,810,818 common shares outstanding.

Outstanding share options in the Company at September 30, 2009 are outlined below. This includes 5,200,000 share options awarded in January 2009. The fair value of the stock options granted in the year was determined to be $59,400 using the Black-Scholes option pricing model with the following assumptions: no dividends, a weighted average volatility of the Company's share price of 74% (based on the weighted average volatility from both AIM and TSX listings), a weighted average annual risk free rate of 3.5% and an expected life of five years.

Number of stock options outstanding	Exercise price per share Cdn.$	Expiry date
2,620,000	0.22	July 25, 2010
2,755,000	0.23	July 31, 2011
600,000	0.23	March 16,2012
300,000	0.23	May 20, 2012
9,045,000	0.20	January 17, 2013
5,200,000	0.10	January 19, 2014
20,520,000		

Outstanding share options in Stellar at September 30, 2009 are outlined below:

Number of stock options Outstanding	Exercise price per share GBP£	Expiry date
300,000	0.225	March 26, 2013
527,500	0.871	March 26, 2013
2,065,000	0.225	March 26, 2013
100,000	0.225	April 21, 20013
1,000,000	0.225	April 24, 2014
3,992,500		

Stellar awarded 1,000,000 options to directors and management on April 24 2009 at a price of £0.25 pence. In addition Stellar repriced 2,465,000 options of which 400,000 options were repriced from £1.00 to £0.25 pence per share and 2,065,000 options were repriced from £1.00 to £0.25 pence per share. 527,500 options were retained but not repriced and 7,500 options were cancelled.

As at September 30, 2009, 20,000,000 share purchase warrants were outstanding in the Company at an exercise price of £0.14 pence per share with an expiry date of November 29, 2009. These warrants were issued to Severstal as part of the private placement completed on May 29, 2008.

As at September 30, 2009 18,679,456 share purchase warrants were outstanding in Stellar. These warrants were issued on December 19, 2008 at an exercise price of £0.25 pence, which are exercisable at any time over a period of 18 months.

(ii) Convertible debentures

On September 27, 2007 the Company issued unsecured convertible debentures to raise £2.3 million ($4.6 million). The convertible debentures are repayable on August 1, 2010 and bear interest at 9% per annum. The principal amount is convertible by the holders into common shares of the Company (16,428,571 shares) at a conversion price of £0.14 pence per share at any time prior to maturity. If prior to the maturity date, the daily volume weighted average trading price of the Company's common shares on AIM, or such other stock exchange where the majority of the Company's trading volume occurs, is greater than £0.182 pence per share (or equivalent), for any period of 21 consecutive trading days, the Company shall have the right at its sole option to provide notice to the holder and thereafter the debentures will automatically be converted to common shares.

As the debentures are convertible into common shares at the option of the holder, they have been accounted for in their component parts. The fair value of the conversion option was based on using the Black-Scholes pricing model with the following assumptions: no dividends will be paid, a weighted average volatility of the Company's share price of 172%, a weighted average annual risk free rate of 4.64% and an expected life of three years. The residual was allocated to the debt component and subsequently carried at amortised cost using the effective interest rate of 44.1% to accrete the liability to the value of the consideration received.

On May 1, 2009, Stellar issued convertible debentures (secured on Mandala plant and equipment) and raised $574,991. The convertible debentures are repayable on January 31, 2010 and bear interest of 20% per annum. The principal amount is convertible by the holders into common shares of Stellar at a conversion price of £0.20 per share at any time prior to maturity. Subject to the lender converting their loan and interest for equity, a warrant will be issued for every share received at a conversion price of £0.25 per share and an expiring of June 30, 2010. African Aura contributed $200,000 to the debt raising which was eliminated on consolidation.

On September 21, 2009, Stellar issued convertible debentures (secured on Mandala plant and equipment) and raised £300,000 ($478,169). The convertible debentures are repayable on January 21, 2011 and bear interest of 16.5% per annum. The principal amount is convertible by the holders into common shares of Stellar at a conversion price of the lesser of the IPO price or £0.20 per share at any time prior to maturity. The holder will be issued one share purchase warrant for each ordinary share issued pursuant to the conversion which shall be exercisable at the lesser of £0.25 per share or a 25% premium to the IPO price per share expiring 24 months after IPO.

(iii) Off balance sheet arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having any in the foreseeable future.

(iv) Related party transactions

The following table summarises the Company's related party transactions:

	September 30, 2009 $	Dec 31, 2008 $
Incurred management service fees with a company related by a director in common	**74,003**	150,000
Incurred management fees by directors	**475,565**	774,805
Incurred directors fees	**108,552**	297,356
Incurred professional fees and consultancy services by a director	**2,476**	83,818
	660,596	1,305,979

These transactions are in the normal course of business and are repayable on demand. A portion of the management fees have been capitalised within the deferred exploration costs.

At September 30, 2009 the amounts due to related entities are as follows:

	September 30, 2009 $	Dec 31, 2008 $
Directors' companies	**74,003**	-
Various directors	**163,757**	149,660
	237,760	149,660

These balances are payable on demand and have arisen from the provision of services rendered as set out above. Amount due to/from related parties are settled through the course of the operating working capital cycle. Due to the short term nature of the amounts outstanding the fair value approximates to the carrying amount.

(v) Property and Equipment

	Machinery & Equipment	Assets Under Construction	Total
	$	$	$
Cost			
At January 1, 2009	501,149	3,793,388	4,294,537
Additions	195,803	50,271	246,074
Asset retirement	170,100	-	170,100
Transfer from Deferred Exploration & Acquisition Costs	7,503,844	-	7,503,844
Transfers	3,843,659	(3,843,659)	-
Disposals	(40,101)	-	(40,101)
At September 30, 2009	**12,174,454**	**-**	**12,174,454**
Depreciation			
At January 1, 2009	397,604	-	397,604
Charge for the period	1,456,721	-	1,456,721
Disposals	(12,031)	-	(12,031)
At September 30, 2009	**1,842,294**	**-**	**1,842,294**

Assets under construction were the plant and related equipment at the Mandala diamond operation in Guinea. These assets have been transferred to machinery and equipment in April 2009 to coincide with the commencement of production. Depreciation is based on 30% per annum on a declining balance method.

(vi) Acquisition and deferred exploration costs

	Sept.30 2009	Dec. 31 2008
	$	$
Acquisition costs:		
Liberia, West Africa:		
Bea	**210,000**	210,000
Sierra Leone, West Africa:		
Sonfon and Nimini	**1,186,500**	1,186,500
Guinea		
Mandala	**4,933,592**	4,933,592
Transfer Mandala costs to Property, Plant and Equipment	**(4,933,592)**	-
Total	**1,396,500**	6,330,092

(vi) Acquisition and deferred exploration costs (continued)

	Sept.30 2009 $	Dec.31 2008 $
Deferred exploration costs:		
Liberia, West Africa:		
Bea – NLGM	**15,375,216**	13,817,084
Weaju	**751,743**	742,268
Gondoja	**34,348**	34,348
	16,161,307	14,593,700
Sierra Leone, West Africa:		
Kono	**1,888,108**	7,979,870
Sonfon	**1,190,080**	1,190,080
Nimini	**189,142**	134,574
Tongo	**701,886**	682,836
	3,969,216	9,987,360
Guinea, West Africa		
Bouro	**192,044**	191,114
Druzhba	**149,170**	149,170
Mandala	**2,570,252**	1,965,071
Transfer Mandala costs to Property, Plant and Equipment	**(2,570,252)**	-
	341,214	2,305,355
Democratic Republic of Congo		
REMEC	**-**	430,027
Closing balance	**20,471,737**	27,316,442

(vi) Acquisition and deferred exploration costs (continued)

	Three months ended Sept 30, 2009 $	Three months ended Sept 30, 2008 $	**Nine months ended Sept 30, 2009 $**	Nine months ended Sept 30, 2008 $
Deferred exploration expenditures				
Assays incl. shipment	**4,491**	72,680	**11,141**	110,502
Communications incl. equipment	**5,768**	39,412	**18,110**	114,311
Community relations	**69,552**	46,241	**123,631**	146,101
Consultants	**22,248**	468,429	**512,995**	917,837
Data, images, reports and maps	**5,611**	37	**9,511**	5,435
Drilling	**-**	319,767	**-**	1,530,734
Geologists' support	**-**	-	**-**	11,045
Infrastructure incl. roads and bridges	**77,825**	15,056	**194,366**	83,253
Licenses and permit fees	**28,956**	69,732	**38,750**	112,107
Project/field office costs, incl. field equip.	**30,022**	270,747	**405,649**	648,632
Salaries and wages	**244,560**	573,600	**761,204**	1,858,415
Subsistence	**3,871**	33,135	**18,129**	149,219
Transportation incl. vehicles	**(39,145)**	130,372	**257,025**	309,291
Kono (Petra) joint venture	**90,494**	988,135	**908,238**	2,175,038
Transfer to Mifergui-Nimba investment	**-**	46,500	**-**	-
Net expenditure during the period	**544,253**	3,073,843	**3,258,749**	8,171,920
Impairment during the period[1]	**(7,010,915)**	(2,712,833)	**(7,533,202)**	(2,712,833)
Transfer of Mandela costs to Property, Plant and Equipment	**-**	-	**(2,570,252)**	-
Balance, Beginning of period	**26,938,399**	35,016,127	**27,316,442**	29,918,050
Balance, End of period	**20,471,737**	35,377,137	**20,471,737**	35,377,137

Note 1 – The impairment during the period relates to Stellar properties and includes: Kono ($7,000,000), REMEC (DRC - $430,027), Camp Alpha (Liberia - $60,545).

(vii) Going Concern

The Company has prepared its consolidated financial statements on a going concern basis which assumes that the Company will be able to realise assets and discharge liabilities in the normal course of business. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional finance in the future. If the Company cannot obtain additional finance in the future it may be forced to realise its assets at amounts significantly lower than the current carrying value. At September 30, 2009 the Company had cash and cash equivalents of $3.1 million. The merger with AAR which completed on October 13, 2009 will add approximately $3.4 million to the Company's cash reserves. With arrangements having been made by Severstal to finance Putu towards a feasibility study, the Company can now focus its resources on those projects that will add most to the value of the Company.

(viii) International Financial Reporting Standards (IFRS)

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. The conversion to IFRS will be required for the Company, for interim and annual financial statements beginning on January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosures. In the period leading up to the conversion, the AcSB will continue to issue accounting standards that are converged with IFRS such as IAS 2, Inventories, and IAS 38, Intangible assets, thus mitigating the impact of adopting IFRS at the mandatory transition date.

The Company is currently evaluating the impact of the adoption of IFRS on its consolidated financial statements. In the transition to IFRS, the Company must apply "IFRS 1 - First Time Adoption of IFRS" which sets out the rules for first time adoption. In general, IFRS 1 requires an entity to comply with each IFRS effective at the reporting date for the entity's first IFRS financial statements. This requires that an entity apply IFRS to its opening IFRS balance sheet as at January 1, 2010 (i.e. the balance sheet prepared at the beginning of the earliest comparative period presented in the entity's first IFRS financial statements).

Within IFRS 1 there are exemptions, some of which are mandatory and some of which are elective. The exemptions provide relief for companies from certain requirements in specified areas when the cost of complying with the requirements is likely to exceed the resulting benefit to users of financial statements. IFRS 1 generally requires retrospective application of IFRSs on first-time adoptions, but prohibits such application in some areas, particularly when retrospective application would require judgments by management about past conditions after the outcome of a particular transaction is already known.

On transition, management must apply the mandatory exemptions and make the determination as to which elective exemptions will be made under IFRS 1. Management is currently preparing its timetable for transition and will undertake a high level analysis of the financial statement areas to determine which elections will be taken. After this high level analysis is completed Mano will be in a better position to assess the impact IFRS will have on the financial statements.

Management continues to assess the impact that IFRS will have on the aspects of the business including accounting policy, financial reporting, information technology and communications perspective. Given that the Company is currently in the development phase, accounting policy determinations that will be made leading in the Company's production phase, such as revenue recognition, deferred stripping and diamond inventory costing to name a few examples, will be made during or post transition to IFRS. Management is also currently reviewing accounting systems and assessing the changes that will be required and the strategies that will be employed. Communication and training strategies are also being developed by management.

(ix) Subsequent Events

On October 27, 2009 the Company announced that heads of agreement had been reached between the Company's 58.5% owned subsidiary and AIM listed West African Diamonds Limited ("WAD) to undertake a combination of business interests that, if successful will constitute a reverse takeover of WAD by Stellar.

On October 14, 2009 the Company announced the completion of its merger with African Aura Resources Limited (AAR).

Highlights:

* AAR shareholders received 1.57 shares in Mano for each share held in AAR
* African Aura consolidated its enlarged issued share capital on a 1 new share for 8 existing shares basis
* The Company changed its name from Mano River Resources Inc to African Aura Mining Inc ('African Aura')
* African Aura to trade on AIM (AAAM) and on TSX-V (AUR)
* Having been acquired by African Aura, AAR shares have been delisted from TSX-V
* David Netherway (Non-Executive Chairman) and Steven Poulton (Non-Executive Director) appointed to enlarged board of African Aura
* Updated company website at www.african-aura.com

As part of the merger transaction David Netherway has been appointed Independent Chairman of the Board of African Aura and Steven Poulton has been appointed as an independent director.

4. FORWARD-LOOKING STATEMENTS

Certain information included in this document may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. Factors that could cause actual results or events to differ materially from current expectations include but are not limited to: the grade and recovery of ore which is mined varying from estimates; estimates of future production, mine development costs, timing of commencement of operations; changes in exchange rates; access to capital; fluctuations in commodity prices; and adverse political and economic developments in the countries in which we operate. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

5. TRENDS

The current world financial crisis has seen demand for commodities fall and in turn a significant fall in commodity prices in the second half of 2008. This was at a time when the access to capital was very difficult. Without equity capital fewer companies were listing on stock markets around the world. The Company's majority owned subsidiary Stellar decided to postpone its listing on London's AIM market due to the difficult market conditions for raising finance. However, Stellar has still been able to access finance to progress its most advanced projects. Although there is limited funding available, companies with highly prospective projects can still attract investment. The Company was able to attract investment from Severstal for the Putu iron ore project in Liberia, concluding agreements in December 2008. The financial crisis has negatively impacted the market value of exploration and mining companies on world markets. Many companies have reacted to the shortage of finance by placing projects on care and maintenance and reducing wherever possible their operating costs and capital expenditure. This does mean that there are attractive opportunities at both company and project level for companies with available cash. During 2009 there has seen a significant recovery in the price of commodities and in London more companies are raising equity finance.

6. RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the fundamental nature of the exploration business in which it is engaged, the countries in which it primarily operates and not least adverse movements in commodity prices. In recent months the fall in commodity prices has affected the economics of both existing and potential mines. The Company seeks to counter exploration risk as far as possible by selecting exploration areas on the basis of their recognised geological potential to host high grade gold, diamond and iron ore deposits. The under-explored Archaean terrain on which the Company focuses in West Africa is also subject to a second significant risk, namely, political. While the region has suffered serious civil unrest and armed conflict in the past (which is the basic reason why it remained under-explored), conditions have improved markedly in recent years. The following risk factors should be given special consideration when evaluating an investment in the Company's shares:

(a) Exploration, development and operating risk

The Company is engaged in the exploration of mineral properties, an inherently risky business, and there is no assurance that an economic mineral deposit will be discovered. In fact most exploration projects do not result in the discovery of commercially mineable ore deposits. The focus of the Company is on areas in which the geological setting is well understood by management. The technological tools employed by the Company are regularly updated to better focus our exploration efforts.

(b) Reserve and resource estimates

The estimation of mineral resources and reserves is in part an interpretive process and the accuracy of any such estimates is a function of the quality of available data, and of engineering and geological interpretation and judgement. No assurances can be given that the volume and grade of reserves recovered, and rates of production achieved, will not be less than anticipated. The Company contracts the services of independent professional experts to prepare resource and reserve estimates.

(c) Political and country risks

The political risk in sub-Saharan Africa is significant due to prolonged periods of economic and political instability in the area. However, in recent years there has been considerable progress in rebuilding the government institutions and economy in the three key countries in which we operate namely Liberia, Guinea and Sierra Leone. These countries will continue to need the support of the international community for security and economic assistance to ensure they are successful in creating a prosperous future for their citizens.

(d) Mineral prices

The price of gold is affected by numerous factors totally beyond the control of the Company, including central bank sales, producer hedging activities, the exchange rate of the U.S. dollar relative to other major currencies, demand, political and economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. Recently the price of gold has hit record levels. The prices of diamonds, iron ore and other minerals that the Company may explore for, also have the same or similar price risk factors.

(e) Cash flows and additional funding requirements

He Company has historically had no revenues from operations although revenue from diamond production started in quarter 2 from the Mandala project in Guinea. It is hoped that the cash flow from Mandala will in 2010 ensure Stellar is self financing. However, the Company's main activity is still exploration and development so it will continue to require the injection of capital to finance and other sources of funds in the future. The Company has historically entered into joint venture agreements with partners to share the risks and the associated costs of exploration. In addition the Company has raised finance through the sale of equity capital and the placement of unsecured convertible debentures. Although the Company has been successful in the past in obtaining finance, there is no assurance that it will be able to obtain adequate finance in the future or that such finance will be on terms advantageous to the Company.

(f) Exchange rate fluctuations

Fluctuations in currency exchange rates can significantly impact cash flows. The U.S. dollar exchange rate in particular has varied substantially over time. The U.S. dollar has strengthened considerably vis-à-vis the UK pound during the second half of 2008. While the Company has historically raised a large proportion of its equity financing in UK pounds most of the Company's exploration costs, are denominated in U.S. dollars. Fluctuations in exchange rates may give rise to foreign currency exposure, either favourable or unfavourable, which may impact financial results. As part of the Company's strategy to manage currency rate fluctuations it entered into currency forward contracts during quarter 1, 2009 to hedge part of its exposure to the UK pound.

(g) Environmental

The Company's exploration and development activities are subject to extensive laws and regulations governing environmental protection. The Company is also subject to various reclamation-related requirements. The Company takes extremely seriously its commitment towards the local communities and the environment in which it operates. The Company's policy is to meet all applicable environmental regulations. A failure to comply may result in enforcement actions causing operations to cease or be curtailed, the imposition of fines and penalties, and may include corrective measures requiring significant capital expenditures. In addition, certain types of operations require the submission and approval of environmental impact assessments. As far as the Company is aware it has complied with all environmental regulations in relation to the licences it holds.

(h) Laws and regulations

The Company's exploration activities are subject to local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change and can become more stringent, and compliance can therefore become more costly. The Company applies the expertise of its management, its advisors, its employees and contractors to ensure compliance with current laws.

(i) Title to mineral properties

While the Company has undertaken all the customary due diligence in the verification of title to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

(j) Competition

There is constant competition from other mineral exploration companies, with operations similar to those of the Company. Many of the mining companies with which the Company competes have operations and financial resources substantially greater than those of the Company.

(k) Dependence on management

The Company relies heavily on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

(l) Economic environment

As discussed under section 5 above the current financial crisis has seen a fall in the demand for commodities. Commodity prices fell significant during the second half of 2008, however, there has been a significant improvement during 2009. The uncertainty in the financial markets led to a significant fall in the share prices of many companies, and although the share price of many companies recovered in 2009 it is still significantly below the level recorded at the peak of the market. Obtaining debt and equity finance has become more difficult leading to an increase in company failures. The Company is confident it has the projects and resources at its disposal to increase the value of the business to its shareholders.

7. MANAGEMENTS RESPONSIBILITY FOR FINANCIAL REPORTING AND CONTROLS

The unaudited consolidated financial statements of the Company for the nine months ended September 30, 2009 have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and have been approved by the Company's Audit Committee and Board of Directors.

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Management is also responsible for the design and maintenance of effective internal control over financial reporting to provide reasonable assurance regarding the integrity and reliability of the Company's financial information and the preparation of its financial statements in accordance with Canadian GAAP.

Management maintains appropriate information systems, procedures and controls to ensure the integrity of the financial statements and that information used internally and disclosed externally is complete and reliable.

Management of the Company, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls and internal control procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. The management of the Company has no knowledge of any fraud having been committed in the Company.

However, given the nature of the business and geographical displacement, management is committed to continuously mitigate any risks and systematically improve operating controls where and when possible in a cost effective manner.

Management recognises the limitation of segregation of duties due to the size of the organisation and is committed to mitigating such risks by introducing compensatory controls.

The Board is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the external auditor to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its duties and responsibilities and to review the Consolidated Financial Statements.

8. OUTLOOK

The outlook for the Company is very promising despite the difficult trading conditions in the financial markets. The Company is well positioned in its chosen commodities and will continue to pursue strategies that will maximise the value of the Company.

Arrangements are in place with Severstal to finance Putu towards feasibility stage while the immediate priorities are to secure a MDA and significantly increase the resource.

The gold strategy of the Company is focused on strengthening its portfolio of properties and expanding the Company's gold resources. The recent award of the Class A Mining licence at New Liberty enables management to now fast track this project to feasibility which is targeted to commence in 2010.

The key priorities for the Company for the remainder of 2009 and quarter 1, 2010 are summarised below:

(a) Secure a 25 year MDA for Putu;
(b) Undertake the required airborne magnetic survey over the entire Putu licence area;
(c) Advance the resource drilling programme and metallurgical testing at Putu;
(d) Infill core drilling programme at NLGM;
(e) Resource definition drilling programme at Weaju;
(f) Integrate AAR projects; and
(g) Work with advisors on the reverse takeover of WAD by Stellar

On Behalf of the Board,
AFRICAN AURA MINING INC.

(Signed)LUIS G. CABRITA da SILVA
LUIS G. CABRITA da SILVA
President and CEO