MANO RIVER RESOURCES INC.

Management's Discussion and Analysis

For the period ended January 31st, 2007

The following discussion is management's assessment and analysis of the results and financial condition of Mano River Resources Inc. (the "Company" or "Mano") and should be read in conjunction with the accompanying audited consolidated financial statements for the period ended January 31st, 2007 and related notes. Unless otherwise indicated all amounts are in US dollars. The date of this management's discussion and analysis is May 25th, 2007.

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

OVERVIEW

Description of Business

Mano River Resources Inc. is an exploration and development stage company engaged in the acquisition, exploration and development of gold, diamond and iron ore properties. The Company, through its subsidiaries, holds interests in mineral properties located in Liberia, Sierra Leone and Guinea, with the aim of developing them to a stage where they can be exploited economically or arranging joint ventures whereby other companies provide funding and expertise for exploration, development and exploitation.

Forward-looking statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties, including those described herein. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied.

Trends

In recent years, the mineral exploration industry went through a very difficult period, as a result of low prices for both precious and base metals. Lack of investor interest in the sector in general led to low market capitalizations and large companies found it was easier to grow by purchasing companies or mines outright, rather than to grow organically. This led to downsizing of the exploration staffs of large companies and many professionals took early retirement, or left the industry to pursue other careers. As a result of these trends, there are currently fewer and fewer good projects in the pipeline and a developing shortage of experienced explorationists. With recent greatly improved metal prices linked to burgeoning demand, especially from Asia, supply difficulties may occur in the near future and there is a discernible need for good exploration projects for almost all commodities, based on sound geological work. As junior companies (many of which are staffed by geologists who were formerly with large companies) find it easier to raise funds, they are tending to lead the way in identifying properties of merit to explore.

Risks and uncertainties

The Company is subject to a number of risk factors due to the fundamental nature of the mining business in which it is engaged, not least adverse movements in commodity prices, which are impossible to forecast. Mano seeks to counter this risk as far as possible by selecting exploration areas on the basis of their recognized geological potential to host high grade gold and diamond (and latterly iron ore) deposits. The area of 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 recent past (which is the basic reason why it remained under-explored), conditions have improved markedly in recent years. Mano field teams have operated safely in Sierra Leone since early 2002 and, following the recent completion of the comprehensive UN-led disarmament and retraining programme for former combatants in Liberia as well as the recent democratic election, Mano now has teams in the field currently at the Bea Mountain gold projects, together with bulk testing of kimberlite pipes for diamonds at Weasua and carrying out reconnaissance sampling over the Mineral Cooperation Agreement (MCA) area in the west of Liberia. Fieldwork on the Putu iron ore licence in the east of Liberia was also carried out during the period under review.

Industry
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 ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The geological focus of the Company is on areas in which the geological setting is well understood by management and the technological tools it employs are regularly updated to better focus exploration efforts.

Reserve and resource estimates
The estimation of mineral resources and reserves is a subjective 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.

Gold and metal 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 US 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. The prices of diamonds, and other mineral products that the Company may explore for, also have the same or similar price risk factors.

Cash flows and additional funding requirements
Mano currently has no revenues from operations. If the Company's exploration programs are successful and as optionees of properties complete their earn-in expenditures, the Company is required to provide its share of on-going exploration and development costs in order to maintain its interest in the projects, or have its interest diluted possibly to simply a royalty interest. Substantial additional capital is required to put a property into commercial production. The sources of funds currently available to the Company for its exploration stage projects are either: the sale of equity capital, or the offering of an interest in its projects to another party. Mano does not presently have sufficient financial resources to undertake its currently planned exploration and development programs and, although it has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Exchange rate fluctuations

Fluctuations in currency exchange rates can significantly impact cash flows. The US dollar exchange rate in particular has varied substantially over time, while the Company has historically raised a large proportion of its equity financing in UK currency. Most of the Company's exploration expenses, meanwhile, are denominated in US dollars. Fluctuations in exchange rates may give rise to foreign currency exposure, either favourable or unfavourable, which may impact financial results. Mano does not engage in currency hedging to offset the risk of exchange rate fluctuation.

Environmental

Mano'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. Although the Company closely follows, and believes it is operating in compliance with, all applicable environmental regulations, there can be no assurance that all future requirements will be achievable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed, and may include corrective measures requiring significant capital expenditures.

Laws and regulations

Mano'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.

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.

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 Mano.

Dependence on management

Mano strongly depends on the business and technical expertise of its small management team and there is little possibility that this dependence will decrease in the near term. Mano has no key-man insurance.

OPERATIONS - Overview

Having initially selected gold and diamonds as its commodities of prime interest (more recently adding iron ore), Mano's fundamental strategy since its inception in 1995 has been to target highly prospective under-explored Archaean terrain in Liberia, Sierra Leone and Guinea, West Africa. Within Mano, there is a continual process of technical assessment and evaluation of the prospectivity of each individual licence held in the portfolio, while political and security risks also need to be considered and factored in. As a result, in the intervening 12 years, activity has switched between the three countries as the technical and political factors and, of course, commodity prices, evolved.

Activity initially focused on gold in Guinea and diamonds in Sierra Leone, although after 1996 the outbreak of civil war resulted in the latter being off limits until early 2002. However, once access was gained to Liberia in 1997, attention immediately switched to what were judged to be highly attractive gold prospects in the west of that country. Drilling for gold began in 1998, with very encouraging results, but a declining gold price obliged Mano to switch its attention to diamonds. By the end of 2001, the Company had completed the first phase of drilling at KGL (today known as the New Liberty Gold Mine ('NLGM'), on which a positive Bankable Feasibility Study has been completed), and had discovered a cluster of diamondiferous kimberlite pipes, the first known in Liberia. A renewed outbreak of civil disturbances, linked to regime change, then obliged Mano to suspend its Liberian activities and move staff and resources to neighbouring Sierra Leone in early 2002, where peace had finally been re-established.

Through 2002 to the end of 2003, gold and diamond programmes were pursued in Sierra Leone, with gold targets generated in the Sula Mountains greenstone belt and a number of diamondiferous kimberlite dykes discovered in Kono. Subsequently, during 2004, the Sierra Leone programmes were joint ventured with carefully selected partners, i.e. Golden Star and Petra Diamonds for gold and diamonds, respectively, and a new 9,700km2 reconnaissance licence secured in the east of the country, which was joint ventured to BHP-Billiton. Simultaneously, the situation normalised in Liberia allowing a great deal of preparatory work to be done for the resumption of exploration, most notably in the securing of rights to the 15,000km2 MCA licence. This resulted in Mano controlling contiguous cross-border licences totalling ±25,000 km2 and extending from the Kono diamond district in Sierra Leone, south eastwards to Kpo, where Mano had made the first ever discoveries of diamondiferous kimberlite pipes in Liberia, in 2001.

In 2005, while the three joint ventures progressed in Sierra Leone, Mano resumed drilling at New Liberty gold and, elsewhere in Liberia, joint venture partner Trans Hex was able to commence the kimberlite pipe exploration programme over Mano's Kpo licence, under the joint venture originally signed in June 2002.

Activity over the period under review will be described on a commodity, rather than geographical, basis. Further detail, such as lists of drill hole assays and quality assurance programmes, can be found in the News Releases section of Mano's website, www.manoriver.com.

PROPERTIES

Exploration Projects – Current Developments

GOLD

Liberia

On **March 23rd, 2006**, Mano announced further encouraging assay results from the remaining diamond drill holes completed during 2005 on the 100% held Weaju gold project in the Bea Mountains MDA licence. Of the final batch of eleven holes, seven intersected significant mineralization, defined as ten metre-grams of gold or better ('10m.g' – calculated as length of intersection *times* the average gold grade), the best intersection being in hole 45 (67m.g).

The 2005 drilling more than trebled the original strike length of the North Zone, to 300m, still open in all directions. The strongest new intersection, 42m grading 1.6g/t gold, is the easternmost hole, while the westernmost hole is encouraging at 38m grading 0.71g/t. Holes 38 (yielding 2.05 g/t gold over 7m and ending in mineralisation) and 40 (10.78 g/t gold over 3m) appeared to have effectively doubled the strike length of the Ridge Zone, to around 250m. Finally, holes 47 (3.07 g/t gold over 2m) and 48 (0.47 g/t over 15m) provide the first evidence in drill core of a further new mineralized zone (termed ‘Macenta’), sub-parallel to the Main Zone. The overall strike length of the presently known gold mineralization at Weaju is now around 750m, compared to 200m at the start of the 2005 drilling campaign. The original two zones (Main and North) have now grown to five, all of them completely untested below a depth of 100m from surface.

On April 19th, 2006, Mano announced further encouraging assay results from the first five follow-up diamond drill holes on the 100% held KGL gold project, which is a classic Archaean shear zone hosted gold deposit, situated within the Company's 1,000 km² Bea Mountain Mineral Development Agreement (MDA) licence, located 90km north of the capital city of Monrovia. The MDA, signed in November 2001 and renewable after an initial 25-year term, provides for exploration, feasibility and pilot mining, and sets fiscal and other conditions for production.

Summarising the results from the ongoing drilling, hole KGD-63, designed as an ‘infill’ hole in the Larjor Zone, returned the best intersection yet achieved on the property, i.e. 37 metres (‘m’) grading 8.45 g/t gold. Within that overall intersection, a subsection graded 23.39g/t over 8m. Also in the Larjor Zone, infill hole KGD-62 intersected 5.09 g/t gold over 8m within a broader 36m zone of mineralisation grading 2.02 g/t. and represents one of the deeper intersections to date in KGL at around 80m below surface. At the western end of the Larjor Zone, hole KGD-61 intersected two separate sections of mineralisation, the first of 14m grading 2.54g/t (within which a 3m sub-section grades 10.78g/t) and, lower in the hole, 16m at 0.42g/t. This hole effectively adds 60m or around 20% to the overall strike length of the Larjor Zone.

At KGL, it is important to note that, so far, the prospect remains completely untested below a depth of 100m from surface. The Company also announced its intention to advance its gold strategy and appoint technical consultants for a feasibility study, in order to fast-track into production the KGL project as an open pit mine, to be renamed the ‘New Liberty Gold Mine’ (“NLGM”), production remaining subject to completion of the feasibility study and construction financing.

Two months later, **on June 15th 2006,** Mano announced the signing of a US$700,000 contract with MODEM Engineering (“MODEM”) of Johannesburg for preparation of a Bankable Feasibility Study on NLGM.

MODEM were put in overall charge of the Study and responsible for metallurgical testwork, plant design and infrastructure, their technical staff having been involved in more than 50 gold projects throughout Africa. Supporting expertise was to be provided by:

- **Lower Quartile Solutions** for Mineral Resource and Reserve Estimate and Mine Optimisation
- **Golder and Associates** for Tailings Dam
- **Knight Piesold** for Environmental Impact Assessment

A programme of infill drilling aimed at enabling the current gold ‘mineral resource’ to be reclassified as a ‘mineral reserve’ was nearing completion. Metallurgical and geotechnical holes (the latter to assist pit wall design) had been completed. MODEM was to be responsible for ensuring that the documentation and engineering standards would be sufficient to enable inputs to be made to a financial model that would determine capital and operating costs to an accuracy of within 10% for the project and be fully auditable. The Bankable Feasibility Study document was thus to be of a standard that would support the raising of construction finance for the project.

On October 24th, 2006, Mano announced a significant increase in the mineral resource estimate at NLGM. The mineral resource estimates were JORC and National Instrument 43-101 compliant and completed by independent consultant Lower Quartile Solutions (LQS) of Johannesburg, South Africa. LQS signed a consent letter authorising the Company to publish the updated resource estimate, having validated and interpreted the data supporting this estimate following a site visit in June 2006. A copy of a technical report dated 22nd December, 2006, discussing the updated resource estimates was filed on SEDAR at www.sedar.com and placed on the Company's website. The resource estimates are summarised as follows:

NLGM Project Estimated Mineral Resources at a 1.0 g/t cut off grade (October 2006):

Resource Category	**Tonnes**	**Gold Grade (g/t Au)**	**Contained Gold Gold (Ounces)***
Measured	6,658,000	3.49	746,409
Indicated	6,875,000	2.88	636,570
Total	**13,533,000**	**3.18**	**1,382,979**

* Contained metal estimate, which remains subject to mining dilution and process recovery losses.

The mineral resource estimate above includes results from 92 diamond drill holes totalling 8,767m, spaced at approximately 25m centres along 2km of the strike length of the NLGM project. The mineral resource model was constructed using Datamine software and the estimate calculated using the kriging method of interpolating gold grades into a three-dimensional block model constrained by wireframes. The mineral resources referred to are not mineral *reserves* and had no demonstrated economic viability.

On January 10th, 2007, Mano announced the results of the Feasibility Study over its New Liberty Gold Project in western Liberia, undertaken by independent consultants MDM Engineering Pty Ltd of Johannesburg, South Africa, together with Lower Quartile Solutions Pty Ltd of Perth, Australia. Design work on the tailings facility was carried out by Golder Associates. Subject to arranging production financing and obtaining required permits, production was anticipated to commence during 2008. The NLGM property is held as to 100% by Mano, subject to a 10% free carried interest and a 3% production royalty, both held by the government.

As noted above, in October 2006, Mano had announced that the estimated mineral **resource** at New Liberty had been increased to 1.4 million ounces (13.533 million tonnes of measured and indicated resources grading 3.18 g/t). The proven and probable **reserve** figures set out below should be considered in the context of this Feasibility Study having focused solely on the **open-pittable** gold mineralisation. Studies are under way on the scope for extending the life of the operation through underground exploitation of as much as possible of the balance of the measured and indicated resource, not economically recoverable by open pit mining.

Highlights of the Feasibility Study

Proven and Probable Reserves:	4.6 million tonnes grading 3.9 grams per tonne gold
Contained Gold:	573 000 ounces
Recovered Gold*	532 000 ounces
Mine Life:	8 years from 3 pits
Average annual production:	68,000 ounces
(* Open Pit only)	

Financial analysis based on $600 gold (assuming 70% debt financing at 6% interest over 5 years):

Internal Rate of Return (IRR)	72%
Net Present Value (NPV) at 0% discount	US$ 49 million
NPV at 10% discount	US$ 28 million
Capital Cost estimate:	US$ 59 million
Capital payback	2.5 years
Operating Cost estimate:	US$ 35 per tonne

The foregoing parameters are projections based on assumptions which, while considered reasonable, may not be borne out in actual performance and variations could be material.

Details of the Feasibility Study

The base case for the Feasibility Study involves open pit contract mining from three open pits, Larjor, Kinjor and Marvoe, over an initial estimated mine life of eight years. The average stripping ratio is 11.5 to 1. Because the deposit exhibits very simple metallurgy and therefore does not require special treatment, processing will be via a gravity circuit, recovering almost half of the gold, followed by conventional Carbon-in-Leach (CIL) treatment. The plant has a design capacity of 600,000 tonnes per annum. Metallurgical testwork indicates gold recovery of the order of 93%. The initial estimated Capital Cost of $59 million includes the sum of $4.7 million in pre-production operating expenditure, while operating costs average $35 per tonne of ore. On the basis of anticipated 70% debt financing and a gold price of $600 per ounce, the post tax and royalty Internal Rate of Return (IRR) of the project is **72%**. The breakeven gold price (at which the IRR is zero) for this base case is **$452**. The IRR at various gold prices is as follows:

Gold Price	IRR
US$500	**25%**
US$600	**72%**
US$650	**93%**

The Mineral Reserve estimate prepared by Lower Quartile Solutions for the three pits, which comprise the initial eight year open pit phase of the NLGM Project, is as follows:

MINERAL RESERVES* 25 December 2006									
PIT	**PROVEN**			**PROBABLE**			**TOTAL**		
	Million tonnes	**Gold grade grams per tonne**	**Contained gold ounces (1)**	**Million tonnes**	**Gold grade grams per tonne**	**Contained gold ounces**	**Million tonnes**	**Gold grade grams per tonne**	**Contained gold ounces (1)**
LARJOR	**1.45**	**4.2**	**196.7**	**0.12**	**4.2**	**16.4**	**1.57**	**4.2**	**213.1**
KINJOR	**1.02**	**4.4**	**143.1**	**0.00**	**3.7**	**0.3**	**1.02**	**4.4**	**143.4**
MARVOE	**1.92**	**3.4**	**210.4**	**0.05**	**3.7**	**5.9**	**1.97**	**3.4**	**216.3**
TOTALS	***4.38***	***3.9***	***550.2***	***0.17***	***4.0***	***22.6***	***4.56***	***3.9***	***572.8***
**** At 1.2 gram per tonne cut-off***									

(1) Contained metal estimate which remains subject to process recovery losses.

The Mineral Reserve was estimated using the following modifying factors: 5% mining dilution at zero grade; 95% mining recovery; constant metallurgical recovery of 93% and a gold price of US$600/oz. An economic cut-off grade of 1.2g/t was applied. Whittle Optimisation shells were used as a guideline for detailed pit design. The pit designs were done according to geotechnical recommendations from a qualified geotechnical engineer. The Measured and Indicated Mineral Resources that fall within the detailed pit designs for each of the three project areas are reported as Proved and Probable Mineral Reserves after applying the modifying factors.

Project Financing
Several commercial banks, primarily based in South Africa, have expressed an interest in participating in the debt portion of the financing of the project. In addition, approaches have been received from both the International Finance Corporation (IFC, a member of the World Bank Group) in Washington DC and the African Development Bank (AfDB) based in Tunisia. Term sheets for loan financing will be requested from the Banks following circulation to them of the Feasibility Study. The 70% debt Base Case uses a 6% interest rate, judged to be the weighted average projected rate for multi-lateral and gold loans. At the same time, the equity portion of the financing required for the project will be addressed, possibly through corporate transactions, i.e. the bringing in of a joint venture partner.

Expansion of the NLGM Project
The geology of the NLGM deposit is simple, with a well-defined steeply dipping zone of relatively high-grade gold mineralisation hosted by metamorphosed ultrabasic rocks. Additional preliminary studies are under way on an enhanced model of New Liberty involving initial open pit exploitation followed by underground mining, the latter probably commencing in approximately year 2 of the operation to allow for the necessary deeper exploration drilling for stope definition. The Company anticipates that the life of the mine can potentially be considerably extended, by underground mining, subject to proving up additional mineral reserves. In addition, gold prospects such as Weaju, situated within the 1,000km2 Bea

Mineral Development Agreement licence at a truckable distance from New Liberty, will be investigated as potential sources of supply of additional feed for the central process plant at New Liberty.

Sierra Leone: GOLDEN STAR JV

With the conclusion of the first phase of drilling at Yirisen, two years ago, Golden Star then commenced a regional geochemical soil grid over all seven licences which form the joint venture properties. A number of gold anomalies were identified in the licences, except within the two Niminis, which Golden Star has now dropped from the Agreement. Rotary Air Blast drilling totalling 1,834m in 109 holes, together with a further 1,548m of diamond drilling, have been completed on Pampana targets, including at Yirisen itself. Additional holes are planned, on completion of which the rigs will move to test targets on the Sonfon licences further to the north. The resulting samples have been prepped and shipped to laboratories in Ghana and Guinea for analysis. Golden Star will be reporting their results and recommendations regarding the next phase of work when the full assay data set is to hand.

Guinea: NAVASOTA

Navasota reported encouraging results from phase 1 drilling at Missamana/Gueliban and plan to commence follow-up phase 2 drilling after the rainy season, in 3Q 2007.

DIAMONDS

Liberia: MINERAL COOPERATION AGREEMENT ("MCA")

On **May 9th, 2006**, Mano issued an update on the 70:30 Joint Venture between Mano and the Government of Liberia, over the MCA licence. Three kimberlites had been discovered to date, the first of which, designated Alpha-1, had proven diamondiferous (Alpha-2 and 3 kimberlites had not yet been tested). Detailed soil sampling, ground magnetic and gravity surveys had been completed over many anomalous areas and the kimberlites, with numerous targets being generated. Core drilling of the Alpha-1, 2 and 3 kimberlites had commenced and Alpha-1 confirmed as a small pipe with associated dyke system. More recently, a 3,000-line km detailed airborne heli-mag geophysical survey was flown over the most anomalous areas of the MCA. Data has been processed and interpreted, with numerous targets identified for follow up, some of which coincide with kimberlite indicator mineral anomalies.

Reconnaissance sampling has progressed throughout the wider 15,000km^2 MCA licence. This prime area of Archaean Craton has not been subjected to detailed diamond exploration in the past 30 years, even though there are many areas of artisanal diamond mining activity that suggest the presence of diamond-bearing kimberlites. The samples collected are being processed in Mano's diamond laboratory in Monrovia and anomalies which merit follow up have been identified in six separate areas.

Liberia: TRANS HEX JOINT VENTURE

On **July 3rd, 2006**, Mano announced the results of independent test work on a microdiamond sample collected from its K004 kimberlite pipe in the Kpo Range Mineral Development Agreement ("MDA") licence in Western Liberia. This pipe is one of six so far discovered in the Weasua kimberlite cluster currently being investigated in a Joint Venture between Mano and Trans Hex Group, where Trans Hex is investing USD2.1million to earn a 50% interest in the property. The test work, involving caustic fusion, diamond extraction, selection and description processes, was conducted by SGS Lakefield of Canada.

The sample, weighing 74.82kg, was collected from near surface hypabyssal kimberlite in the centre of the one hectare K004 pipe and yielded a total of 57 diamonds that weigh a total of 0.035-carats. The largest diamond measures 1.4mm x 1.34mm x 1.03mm and weighs 0.015445-carats. The majority of the diamonds are described as white, transparent or translucent fragments. The full results were reported according to the recommended guidelines as established by the Diamond Exploration Best Practices Committee of the Canadian Institute of Mining, Metallurgy and Petroleum. Core drilling of the Weasua kimberlite cluster was completed with a total of 3,800m of drill core being collected and logged. Pipes K1, K2, K3 and K7 were drilled and found to be internally complex bodies with diatreme, transitional, hypabyssal and tufficitic kimberlite breccia units being recognised in some or all of the pipes. Currently interpreted delineated surface areas, which might be subject to change through further drilling and mapping, range from 0.5 hectares (K7) to six hectares (K2).

Mano's joint venture partner, Trans Hex, subsequently shipped a 5-tonne per hour DMS processing plant, complete with X-Ray flow sort diamond recovery unit, to the project area. It will be used to process both the kimberlite core and larger surface and sub-surface bulk samples of kimberlite. The objective is to fast track the evaluation programme in order to obtain macro-diamond grade and values for the diamondiferous kimberlites within the next 12 months.

Sierra Leone: PETRA DIAMONDS JOINT VENTURE

On November 6th, 2006, the Company announced an update on its 49% owned Kono project in Sierra Leone, a Joint Venture with Petra Diamonds, who operate the programme and hold the remaining 51%.

Shaft sinking continues on the two original sites, on dykes Lion 3 and Lion 5, with depths of almost 24 metres each having been achieved. When these shafts reach a target depth of 30 metres, core drilling was to be conducted to establish dyke dimensions along strike, prior to planned development of mining stopes to access production amounts of kimberlite.

Sinking of a third shaft commenced on the Lion-2 dyke at Yendema, where kimberlite samples weighing 18-tonnes yielded 59 transparent diamonds, weighing 7.77-carats, including diamonds of 1.6, 1.34, 0.85, 0.75, 0.6 and 0.55-carats. This shaft was at a depth of 9.5m where the kimberlite dyke has a width of 1.8m.

Elsewhere in the licence area, exploration trenching continues and is aimed towards identifying new shaft sites. The combined fissure length identified now stands at in excess of 17 kilometres. One dyke that has been tested, at Simbakoro, yielded 2.3 carats of diamond from 1.6 tonnes of kimberlite, including an individual diamond of 1.4-carats. This implied sample grade of approximately 140 carats per hundred tonnes has justified the sinking of the fourth shaft of the project on the kimberlite dyke at this site.

Some 224 diamonds, weighing 23.95-carats, were recovered from kimberlite processed during the shaft development during the past quarter. It was not yet possible, however, to establish accurate diamond grades for the kimberlite processed, due to the mixed (kimberlite and non-kimberlite) nature of the sample material collected from the shafts. The sinking of 2m wide shafts on the generally narrower dykes unavoidably results in significant amounts of non-kimberlitic material in the processed samples, which is expected to be refined in actual mining once the shafts have reached their planned depth.

Sierra Leone: RECONNAISSANCE LICENCE ("REPL") – BHP-BILLITON JOINT VENTURE

On **September 18th, 2006,** Mano announced the discovery of extensions to the high-grade Tongo kimberlite dykes within its 9,700km^2 Reconnaissance Exclusive Prospecting Licence ("REPL"), held under Joint Venture with BHP Billiton. BHP Billiton can earn a 51% equity interest in the project through an investment of $3.4million and has to date expended in excess of $1million. The partners subsequently applied for core target areas, to include the Tongo dyke extensions, covering an area of approximately 1,000km2 in aggregate and will relinquish the balance of the ground as envisaged in the two-year licence.

Four dykes have been mapped immediately east of the Tongo diamond fields, one of which extends over a distance of at least two kilometres into Mano's REPL. The Tongo diamond fields comprise an area of alluvial diamonds in eastern Sierra Leone which has been commercially mined in the past by Sierra Leone Selection Trust and more recently by artisanal diamond miners. Five small samples, weighing a total of 1,050kg, were collected from three of these kimberlites for mineral chemistry analysis and diamond recovery at Mano's Laboratory in Monrovia. A total of 31 diamonds weighing 1.96-carats in aggregate were recovered with the three largest diamonds weighing 0.3-ct, 0.3-ct and 0.25-ct.

The Tongo dykes have previously been drilled and bulk sampled in the so-called "Tongo Mining Lease" that was held by Sierra Leone Selection Trust, with in-situ grades of up to 3 carats per tonne being reported. This data is consistent with Mano's own geological assay results. Initial mineral chemistry data from Mano's samples suggests a high diamond potential on the basis of the G10 garnet chemistry. Ground electro-magnetic surveys have been completed in order to map the dykes and check for the presence of blows or pipes along strike. The data are currently being processed and interpreted and any potential pipe or blow targets will be investigated through drilling.

Liberia: AFRICAN AURA JOINT VENTURE

In 2005, Mano established a Joint Venture with private junior gold exploration company African Aura Resources Ltd ("AAR"). Mano has the right to earn a 78% interest in the diamond rights of the $400km^2$ AAR property through funding a feasibility study on one or more diamondiferous kimberlites considered to have economic potential, within a five year period.

On **October 10th, 2006**, the Company announced positive results from its recently completed work programme under the AAR agreement. Mano had collected and processed some 80 stream samples from throughout the licence area. Many yielded abundant kimberlitic ilmenite with supporting garnet and chromite in at least five discrete areas of the licence. Artisanal diamond mining is currently taking place in three of these areas, but has been conducted in all five positive areas in the past. Mineral chemistry of the indicator minerals suggests that the source kimberlite(s) have diamond potential. Detailed follow up soil sampling has been completed over one high priority target around the village of Israel, which hosted over 25,000 artisanal diamond miners in the 1970s. Many samples yielded abundant kimberlitic ilmenite, suggesting the presence of as yet undiscovered kimberlite within the sampled area.

Guinea: SEARCHGOLD JOINT VENTURE

On **May 9th, 2006**, Mano issued an update on its recently signed joint venture agreement with SearchGold Resources ("Search") of Canada, whereby Search and Mano combined into a company called Guinea Diamond Corporation their respective alluvial diamond and kimberlite diamond projects in the Mandala / Bouro region of southeast Guinea. The Mandala project has an estimated measured resource of 330,200 carats and an indicated diamond resource of 204,962 carats, as established by consultant geologist Peter Walter in a 43-101 filed report (reference SearchGold announcement on SEDAR http://www.searchgold.ca/mp/pdf/Mandala-Ouria_report_Aug_2004.pdf). Subject to permitting and financing, it was the objective of the Joint Venture to establish alluvial diamond production by the end of 2006, with initial production of 5,000 carats per month envisaged. Finance is now being put in place. A suitable rotary pan and DMS plant were being investigated and it was hoped that this could be finalised and shipped to Guinea in the near future. Advertisements for a qualified, experienced project manager had been placed and the incumbent, once hired, will be relocated to Guinea to oversee the establishment and commissioning of the operation. When the alluvial diamond facility is operating, the high-grade kimberlite dykes will be bulk sampled with a view to establishing the diamond grades and values. Previous exploration by De Beers, and Mano's own exploration work, indicates that the Bouro North dyke has a macro-diamond grade of between 180 and 500cpht. It is thought that the kimberlites of the Joint Venture represent longer-term, sustainable diamond production potential.

IRON ORE

Liberia: PUTU RANGE

On **October 7th, 2006**, Mano announced the results from assaying of grab samples taken by contractor McLellan and Partners ("McLellan") who visited the Putu prospect and analysed the potential future areas for infrastructure, including the existing port of Greenville. The objective was to give a preliminary overview of the potential of the prospect as a source of exportable iron ore and assess a work programme in preparation for a pre-feasibility study.

The five-year Mineral Exploration Agreement ('MEA') licence, awarded in May 2005, covers a 425km^2 area centred on the Putu iron ore prospect in eastern Liberia. Putu is located in Grand Gedeh County, near the town of Zwedru and about 270km southeast of Monrovia. The port of Greenville, in Sinoe County, with natural near-shore deep water, is just over 100km from Putu with a downhill south-west gradient gently undulating to the sea.

Historical data

The Putu Range (comprising Mt. Jide and Mt Ghi) is one of several iron ore prospects discovered in Liberia in the 1950s. The prospect is thought to comprise three closely spaced magnetite/haematite mineralised zones separated by itabirite and minor greenstone. The reported mineralisation strikes for at least 8km, potentially making Putu one of the largest unexploited iron ore prospects in Liberia.

In the 1950s and 60s, LAMCO (Liberian-American-Swedish Mining Company) and Bong Mining Company (BMC/Delimco) reviewed the Putu prospect. Exploration led to the implementation of a limited drill program, followed up by underground bulk sampling via a horizontal adit. This review concluded that the exploration target at the Putu prospect might potentially contain 500 million tonnes of iron ore mineralisation. Assays from limited surface grab sampling at the time of discovery reportedly yielded grades up to the mid 60% Fe range (see Mano News Release 2005-11-29).

Programme

As part of Mano's ongoing exploration programme, samples were collected from pits and trenches of previous investigators and analysed by assayers Alex Stewart and mineralogists Peter Scott Ltd. The assay results and mineralogical studies (including scanning electron microscopy and x-ray diffraction), show that the iron grade is potentially higher than samples analysed during the reconnaissance programme and that the predominant mineral is haematite.

Assay results for 103 grab samples illustrate that the most deleterious mineral that is found in significant quantities is quartz. Assays also show that phosphorous levels are minimal. Mineralogical tests, when correlated with assay results, indicate that alumina in these samples has been proven to be the result of weathering and that quartz and haematite have large grain sizes, indicating that the quartz could be separated from the haematite at a fairly coarse grain size.

McLellan's preliminary assessment of Putu highlighted the following:

1. The assays and mineralogical studies indicate potential for significant quantities of direct shipping lump ore
2. The EU market is a short shipping distance away and is presently the world's second largest importer of iron ore after China

3. Putu has virtually no overburden, is near to a substantial water source, has level ground that can facilitate structures and is the close to the sea, the potential rail distance would be approx. 100km.

Mano River Iron Ore Group Ltd. (Seychelles) ("MARIO")

The MARIO group owns 100% of Mano River Iron Ore Ltd., which in turn holds 80% of Mano River Iron Ore (Liberia) Inc., the holder of the above-mentioned Putu Iron Ore Licence. The MARIO group also wholly owns Mano River Iron Ores (Guinea) Ltd., which owns a 3.68% minority interest in Mifergui Nimba, holder of a 5% partially free-carried interest in the BHP-Billiton managed Guinean sector of the Nimba Iron Ore deposit, straddling the Liberian border.

Exploration Projects - Subsequent Events

IRON ORE

On **March 12th, 2007**, the Company provided an update on progress from its 80% owned Putu Range iron ore project ("Putu Range") in eastern Liberia. The Range consists of a series of north-south trending ridges of which the most easterly, Mt. Jide ridge, has been the focus of work by Mano to date and was the subject of limited past work in the 1950s and 60s. Putu Range is centred within a five year exclusive exploration licence for iron ore granted to Mano River Iron Ore (Liberia) Inc. on May 18th, 2005, covering an area of 425km2 in Grand Gedeh County, approximately 100km north east of the potential deep water port of Greenville. Since September 2006, Charles Savage, an independent consultant contracted by McLellan and Partners, has supervised a sampling and site preparation programme, in advance of a pre-feasibility study, which is planned, subject to financing, to commence in 2007 and include up to 4,000m of diamond drilling.

Grab samples from a 4km section of the 12km long ridge at Mt. Jide, and channel samples of the first 26m of a 50m long historic adit located approximately 300m below the crest line, returned highly encouraging average grades of 57.9% Fe and 54.2% Fe, respectively. Access roads were established and drill pad preparation is underway. Systematic sampling is on-going along an additional 2.5km long strike section of the main zone of Mt. Jide, within recently discovered trenches which appear to date from the 1950s and 1960s. Channel sampling of the remaining 30m of the historic adit will commence once rock wall stability has been secured. Further geological mapping and a detailed topographic survey got under way in March. In parallel with these programmes, a pilot mineral processing study will be undertaken to investigate the optimal separation method for the quartz, which is the principal deleterious mineral, in order to upgrade the ore. Mineralogical studies completed by Mano to date suggest that gravity separation is the likely upgrading method.

CORPORATE

On **July 31st, 2006**, Mano announced that it had closed the GBP 3,165,000 brokered Private Placement previously announced in a press release dated July 14, 2006. The Placement of 39,562,500 common shares at a price of GBP0.08 per share was arranged in the United Kingdom through Bell Lawrie (a division of Brewin Dolphin Securities Limited), the Company's nominated adviser and broker. Commission of 4% of the proceeds (GBP 126,600) was paid on the Placement as well as a corporate finance fee of GBP 45,000.

The proceeds of the Placement were to be used by Mano to complete the bankable feasibility study on the New Liberty Gold Mine project in Liberia, to maintain Mano's 49% participating interest in its joint venture with Petra Diamonds in Sierra Leone, and for general working capital purposes in 2006.

On **September 22nd, 2006,** Mano announced that it had granted incentive stock options ("Options") to certain directors, officers, employees and consultants to purchase up to an aggregate of 2,980,000 common shares, in the capital stock of the Company exercisable for a period of five years at a price of $0.23 cents per share.

On **November 22nd, 2006,** Mano announced the appointment of Karl Smithson as an Executive Director, with immediate effect. Mr Smithson (40) is Mano's Chief Operating Officer, Diamonds Division, having served as Vice President Exploration – Diamonds since 2003, following three years in a consulting capacity. A geology graduate of Kingston University, he was completing his MBA at the Graduate School of Business in Cape Town, South Africa. He has 18 years of diamond exploration experience gained with a number of companies including De Beers (10 years) and SouthernEra Diamonds (2 years), before joining Mano River Resources Inc. His working career has been focussed on diamond exploration in Africa and he has been responsible for a number of new diamond discoveries in Botswana, Zimbabwe, Sierra Leone and Liberia.

CORPORATE – Subsequent Events

On February 12th, 2007, Mano announced the appointment of Luis da Silva as Chief Financial Officer, with immediate effect. Luis, 36, took over the role previously filled by Guy Pas, who continues as Executive Chairman. Holding dual Portuguese/British nationality, Luis graduated in Mining Engineering from Camborne School of Mines in 1993 and subsequently obtained his MBA from Cranfield School of Management in 2003. As a qualified mining engineer, on leaving university he gained six years of operational and technical experience. Since 1999 he worked in a purely corporate environment, firstly as Executive Assistant to the CEO of Blue Circle Industries and then as Investor Relations Manager at the time of the acquisition by Lafarge SA. Since gaining his MBA, Luis has been a Director in Lafarge's Group Audit Department. For the previous two years, Luis was responsible for auditing Lafarge's Asia-Pacific operations.

On **February 21st, 2007,** the Company announced that, following the exercise of options by Directors and other associates of the Company, a total of Cdn$523,000 (±USD 449,000) of proceeds had been raised, of which Cdn$494,000 was subscribed by the directors and it had issued a total of 4,830,000 Common Shares of No Par Value in the Company. On completion of this exercise, Mano had 297,810,818 shares on issue.

On **March 20th, 2007,** Mano announced the appointment of Luis da Silva as an Executive Director with immediate effect. At the same time, the Board expressed its sincere thanks to Jonathan Challis for his contribution as a Non-Executive Director since July 17th 2003. Mr da Silva (36) Mano's Chief Financial Officer, joined Mano on the 1st February 2007. In connection with the appointment, Mr da Silva had been granted 600,000 stock options exercisable at Cdn$0.23 cents per share, valid until 16th March 2012.

On **May 23rd, 2007**, Mano announced that it had appointed Panmure Gordon (UK) Limited as its Nominated Advisor and Broker with immediate effect. Panmure Gordon, through its Appointed Representative, GMP Securities Europe LLP, has been appointed due to its strength in the natural resources sector, which the Company believes will be beneficial at this stage of the Company's development, and for its Canadian presence. In addition, the Board announced the appointment of Pelham PR Ltd. as its Public Relations Advisor, also with immediate effect.

SELECTED FINANCIAL INFORMATION

The following selected annual financial information is derived from the audited consolidated financial statements for the three most recently completed financial years and is prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Years ended January 31

	2007	2006	2005
Total revenue (Interest income)	53,181	117,927	50,640
Net loss	959,609	1,348,265	889,364
Net loss per share (basic and diluted)	0.004	0.006	0.004
Stock option compensation expense	513,361	397,829	585,317
Working capital	428,368	3,015,165	1,041,682
Total assets	28,866,715	22,287,420	16,440,201
Total exploration expenditures	8,443,801	4,291,377	2,015,632

SUMMARY OF SELECTED QUARTERLY INFORMATION

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

	January 31, 2007	October 31, 2006	July 31, 2006	April 30, 2006
Total revenue (Interest income)	14,496	13,322	7,229	18,134
Net loss	139,287	486,319	199,679	134,324
Net loss per share (basic and diluted)	0.001	0.001	0.001	0.001
Total assets	28,866,715	27,404,088	27,545,680	22,093,071
	January 31, 2006	October 31, 2005	July 31, 2005	April 30, 2005
Total revenue (Interest income)	35,450	47,267	34,432	778
Net loss	115,169	508,969	640,132	83,995
Net loss per share (basic and diluted)	0.001	0.002	0.003	0.001
Total assets	22,287,420	22,461,923	22,878,781	23,259,126

RESULTS OF OPERATIONS

Fourth Quarter 2007

During the fourth quarter ended January 31, 2007, the Company incurred a loss of $139,287 or $0.001 per share as compared to $486,319 or $0.001 per share in the previous quarter. Administration expenses for the quarter were $153,783. This was lower than the third quarter and was mainly attributable to lower stock-based compensation expense. Income from interest during the fourth quarter of 2007 was $14,496 as compared to $13,322 in the previous quarter. There was no significant change in the interest income in the 4th quarter compared to previous quarter.

Financial Results of 2007 compared to 2006

The Company's net loss for the year ended January 31, 2007 was $959,609 or $0.004 per share as compared to a net loss of $1,348,265 or $0.006 per share for the 2006 year. This is a $388,656 decrease in net loss compared to 2006. The reduction in net loss is primarily due to a decrease in general and administrative expenses as discussed below and a $126,677 foreign exchange gain.

General and administrative expenses were $1,012,790 in the year ended January 31, 2007 compared to $1,559,914 in 2006. The significant decrease was largely attributable to lower professional fees due to completion of an internal reorganization. Foreign exchange and other administrative expenses also experienced lower costs. Professional fees $408,080 (2006 - $630,513), including legal, audit and accounting , investor relations and nominated advisor services decreased by $222,433 due to decrease in regulatory requirements, corporate reorganization costs and the 2006 proposed Petra Diamonds business combination. Transfer agent filing fees $67,979 (2006 - $79,452) decreased by $11,473 due to less share activity, including granting of stock options and decrease in filings with the regulatory authority. Stock-based compensation $513,361 (2006 - $397,829) increased by $115,532. During the year ended January 31, 2007, a total of 2,980,000 stock options were granted to employees, directors and consultants at an exercise price of Cdn.$0.23 per share exercisable until July 31, 2011, resulting in a stock based compensation expense of $513,361 in 2007 as compared to 2,620,000 stock option granted at an exercise price of Cdn.$0.215 resulting in a stock based compensation expense of $397,829 in 2006. The Company also experienced a foreign exchange gain of $126,677 (2006 – loss of $285,897) during the year ended January 31, 2007, due to a weaker US dollar against the UK currency.

The Company has no revenue from mining operations. Revenue for the 2007 year, consisting of interest earned from cash deposits, was $53,181 as compared to $117,927 in 2006, a decrease of $64,746. This decrease in interest income was mainly due to decrease in cash balances during the year ended January 31, 2007.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2007, the Company had working capital of $428,368 as compared to working capital of $3,015,165 at the year ended January 31, 2006. The Company had cash of $1,185,520 at the same date (2006 - $2,781,260). The significant decrease in cash and working capital was primarily due to a significant increase in exploration expenditures on the mineral properties during the year ended January 31, 2007 ($8,443,801 for 2007 compared to $4,291,377 for 2006) as the Company accelerated development on its mineral projects..

Cash used for operating activities during the year ended January 31, 2007 was $61,031 (2006 – $1,163,628) after adjusting for the non-cash item of stock-based compensation. Cash flows from financing activities for the year ended January 31, 2007 were $6,331,917 compared to $6,732,408 in 2006, as the Company completed a GBP 3,165,000 private placement in July, 2006. On January 19, 2007, the Company entered into private placement of 300,000 common shares of a wholly-owned subsidiary with GAIA Resources Fund Ltd. (a company related to Mano by virtue of director in common) at £1 each for gross proceeds of £300,000. As at January 31, 2007, the subsidiary's common shares were not yet issued and proceeds received were recorded as share subscriptions. Also in January 2007, 2,100,000 stock options were exercised at $0.11 each. As at January 31, 2007, the Company's shares were not yet issued, and proceeds received were recorded as share subscriptions.

Subsequent to year ended January 31, 2007:

(1) 590,000 stock options were exercised at a price of Cdn$0.10 for the gross proceeds of Cdn$59,000 and 15,000 expired unexercised.

(2) 2,000,000 stock options were exercised at a price of Cdn$0.11 for the gross proceeds of Cdn$220,000 and 1,000,000 expired unexercised.

As at **May 25th, 2007**, the following stock options were outstanding:

Number of Common Shares	Exercise price per share (Cdn$)	Expiry date
905,000	$0.10	August 14, 2008
2,770,000	$0.24	March 23, 2009
2,620,000	$0.215	July 25, 2010
2,980,000	$0.230	July 31, 2011
9,275,000		

As at January 31, 2007, the Company had total assets of $28,866,715 as compared with $22,287,420 for the fiscal year ended January 31, 2006. At January 31, 2007, the Company had total liabilities of $907,863 as compared to $185,572 at year ended January 31, 2006. Current liabilities include $133,707 due to related parties for reimbursable expenses, director and Board committee fees and professional fees.

During the year ended January 31, 2007, the Company expended $8,443,801 on deferred exploration expenditures on wholly-owned properties as compared to $4,291,377 in 2006. The increased exploration expenditures were due to a greatly expanded level of exploration and development activity as a result of available funding.

During the year ended January 31, 2007, the Company funded exploration expenditures on behalf of certain joint venture partners who are required to fund the exploration expenditures to earn interests in a group of gold and diamond properties in Sierra Leone, Liberia and Guinea. As at January 31, 2007, the amount of $61,847 remained receivable and $577,175 remained payable to the joint venture partners.

OTHER INFORMATION

Outstanding share data

The Company is authorized to issue an unlimited number of common shares without par value. As at **May 24th, 2007** there were 297,810,818 common shares outstanding compared to 253,418,318 common shares outstanding as at January 31, 2006. The increase was mainly due to the success of the Company in raising funds by equity financing as well as certain stock option exercises.

Off balance sheet arrangements

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

Related party transactions
During the year ended January 31, 2007, the Company incurred billings of $151,392 from related parties for management fees, directors' fees and professional services. All transactions with related parties have occurred in the normal course of operations. As at January 31, 2007, the amount due to related parties totals $133,707. These balances are payable on demand and have arisen from the accrued provision of services referred to above and reimbursable expenses.

Controls and Procedures
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 the Canadian generally accepted accounting principles. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and maintains appropriate information systems, procedures and controls to ensure 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 procedures of our internal controls will prevent all error 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. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Mano River have been detected.

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

As at January 31, 2007, management recognized the limitation of segregation of duties due to the size of the organization. The management is mitigating such risks by introducing compensatory controls to detect and remediate control deficiencies.

OUTLOOK

The $5.9 million private placement, concluded in July 2006, enabled the Company to achieve a critical milestone in the life of any mineral exploration company, namely, completion of its first successful Bankable Feasibility Study, in Mano's case for the 100% owned New Liberty Gold Mine project in Liberia.

The base case for the NLGM Feasibility Study involves open pit contract mining from three pits, Larjor, Kinjor and Marvoe, over an initial estimated mine life of eight years. The average stripping ratio is 11.5 to 1. Because the deposit exhibits very simple metallurgy and therefore does not require special treatment, processing will be via a gravity circuit, recovering almost half of the gold, followed by conventional Carbon-in-Leach (CIL) treatment. The plant has a design capacity of 600,000 tonnes per annum.

Metallurgical testwork indicates gold recovery of the order of 93%. The initial estimated Capital Cost of $59 million includes the sum of $4.7 million in pre-production operating expenditure, while operating costs average $35 per tonne of ore. On the basis of anticipated 70% debt financing and a gold price of $600 per ounce, the post tax and royalty Internal Rate of Return (IRR) of the project is **72%**. The breakeven gold price (at which the IRR is zero) for this base case is **$452**.

Once the planned open pit phase of operation is completed, underground mining, probably via ramp access, of as much as possible of the balance of the resource should offer the scope to extend the life of the operation beyond the present 8 years. Studies of this potential are ongoing, though they can only be made definitive when sufficient deeper holes are completed to provide the data for detailed stope design. In addition, within truckable distance, there are prospects such as Weaju, which may have the potential to provide further feed to the New Liberty plant. Meanwhile, a great deal of effort is being put into fostering good relations with the local community, who have from the outset been highly supportive of the operation. Regular meetings are held with interested parties, ranging from Legislators and Chiefs to local villagers, with the aim of keeping them closely involved in the process.

It is important to note that, so far, the prospect remains completely untested below a depth of 100m from surface and this type of Archaean gold deposit is typically characterised by a very considerable in depth dimension.

Elsewhere on the 1,000km2 Bea MDA licence, drilling at Weaju has greatly extended the North Zone and located three new zones of mineralization, within one of which an intersection of 27.7g/t gold over 6m was achieved. Investigation at Weaju will be integrated with that at NLGM, since the two deposits may have the potential to be developed as a combined mining operation, trucking ore from Weaju.

At the same time, Mano continued its policy of adding shareholder value in the last financial year through exploration of its prospective Mineral Cooperation Agreement (MCA) and Putu iron ore licences in Liberia while, simultaneously, through joint ventures funded by carefully selected partners, five other properties were advanced.

The five joint ventured programmes, which got under way in 2004/05, are all progressing well, particularly at the Kono diamond project in Sierra Leone where **Petra Diamonds** completed the installation of a processing plant and produced the first bulk-testwork diamonds on schedule in June 2006. They are now shaft sinking at no fewer than six locations on kimberlite dykes, with Mano contributing to maintain its 49% equity interest. The regional geochemistry programme funded by **Golden Star** identified a number of gold targets in Pampana and Sonfon, now being investigated by a major drilling programme. The diamond reconnaissance in eastern Sierra Leone undertaken by the **BHP-Billiton** joint venture having been completed, with several targets of interest identified, application has been made for a series of exclusive prospecting licences. Investigations continue, meanwhile, under the existing REPL licence. In Guinea, **Navasota**, having earlier reported encouraging results from phase 1 drilling at Missamana/Gueliban, have indicated their intention to start phase 2 follow-up work immediately after the rainy season, i.e. in October 2007. At Weasua in Liberia, **Trans Hex** completed a 3,600m drilling programme, which helped define the surface area and morphologies of the kimberlite pipes. Bulk sampling and test processing of the most attractive pipes is now getting under way.

On the political front, both Liberia and Sierra Leone continue to make steady progress economically. In Liberia, Mittal Steel plan to make a US$1billion investment in re-opening the Nimba iron ore mines and rehabilitating the Buchanan rail link and port. Meanwhile, after ten years of closure following a rebel attack and complete destruction of the assets of the Sierra Rutile Mining Company limited on 25 January

1995, the one-time economic nerve centre of Sierra Leone, the largest employer and biggest tax-payer that contributed about 50% of the total foreign exchange earnings of the government, has been re-launched and is now poised to restart operations.

On Behalf of the Board,
MANO RIVER RESOURCES INC.

TOM ELDER
President