
MANO RIVER RESOURCES INC.

Consolidated Interim Financial Statements
For The Six Months Ended July 31, 2005
(Stated in U.S. Dollars)

(Unaudited)

MANO RIVER RESOURCES INC.

Consolidated Balance Sheets

(Prepared by Management without audit)

(Stated in U.S. Dollars)

	Six months ended July 31, 2005 \$ (unaudited)	Year ended January 31, 2005 \$ (audited)
ASSETS		
Current		
Cash and cash equivalents	5,481,238	1,375,639
Accounts receivable	79,339	63,328
Due from joint venture partners (Note 3)	269,925	171,432
	5,830,502	1,610,399
Investments (Note 4)	218,586	218,586
Resource properties (Note 5)	3,955,000	3,955,000
Deferred exploration costs	12,874,693	10,656,216
	22,878,781	16,440,201
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	14,909	15,283
Due to related parties (Note 7)	200,270	553,434
	215,179	568,717
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	28,643,487	21,461,793
Subscriptions	-	894
Contributed surplus	1,138,717	803,272
Cumulative translation difference	(21,755)	(21,755)
Deficit	(7,096,847)	(6,372,720)
	22,663,602	15,871,484
	22,878,781	16,440,201

APPROVED BY THE DIRECTORS:

"TOM G. ELDER" (Signed)

Director

"GUY E. PAS" (Signed)

Director

MANO RIVER RESOURCES INC.

Consolidated Statements of Loss

(Prepared by Management without audit)

(Stated in U.S. Dollars)

	Three months ended July 31, 2005 \$ (unaudited)	Three months ended July 31, 2004 \$ (unaudited)	Six months ended July 31, 2005 \$ (unaudited)	Six months ended July 31, 2004 \$ (unaudited)
Revenue				
Interest income	34,432	15,984	35,210	36,365
Expenses				
Administrative and office expenses	2,493	1,478	3,669	3,360
Bank and interest charges	33	85	171	17,046
Directors fees	9,700	7,500	26,200	10,000
Foreign exchange loss (gain) (Note 8)	187,113	(63,625)	98,155	(159,009)
Management fees	28,500	22,500	57,000	45,000
Mine maintenance expenses	-	31,415	3,000	40,585
Professional fees	97,612	91,895	188,523	151,516
Stock-based compensation	335,445	-	335,445	444,891
Transfer agent and regulatory fees	13,668	32,020	47,174	38,559
	674,564	123,268	759,337	591,948
Loss for the period	(640,132)	(107,284)	(724,127)	(555,583)
Loss per share	(0.003)	(0.001)	(0.003)	(0.003)

MANO RIVER RESOURCES INC.

Consolidated Statements of Deficit

(Prepared by Management without audit)

(Stated in U.S. Dollars)

	Six months ended July 31, 2005 \$ (unaudited)	Year ended January 31, 2005 \$ (audited)
Deficit, Beginning of year	(6,372,720)	(5,483,356)
Loss for the Period	(724,127)	(889,364)
Deficit, End of Period	(7,096,847)	(6,372,720)

MANO RIVER RESOURCES INC.

Consolidated Statements of Cash Flows

(Prepared by Management without audit)

(Stated in U.S. Dollars)

	Three months ended July 31, 2005 \$ (unaudited)	Three months ended July 31, 2004 \$ (unaudited)	Six months ended July 31, 2005 \$ (unaudited)	Six months ended July 31, 2004 \$ (unaudited)
Operating Activities				
Loss for the period	(640,132)	(107,284)	(724,127)	(555,583)
Items not involving cash:				
Stock-based compensation (Note 2d)	335,445	-	335,445	444,891
Accretion of liability portion of convertible debenture	-	-	-	12,255
Changes in non-cash working capital accounts				
Due from joint venture partners	(101,952)	(474,744)	(98,493)	(788,458)
Accounts receivable and prepaid expenses	4,646	8,821	(16,011)	(3,440)
Accounts payable	(19,314)	37,954	(374)	(12,599)
	(421,307)	(535,253)	(503,560)	(902,934)
Financing Activities				
Issuance of share capital (net of costs)	-	-	7,180,800	33,650
Due to related parties	(56,344)	104,966	(353,164)	105,655
	(56,344)	104,966	6,827,636	139,305
Investing Activities				
Resource properties -				
Deferred exploration expenditures	(1,264,033)	(435,425)	(2,218,477)	(669,916)
	(1,264,033)	(435,425)	(2,218,477)	(669,916)
Increase (Decrease) In Cash	(1,741,684)	(865,712)	4,105,599	(1,433,545)
Cash, Beginning of Period	7,222,922	3,325,719	1,375,639	3,893,552
Cash, End of Period	5,481,238	2,460,007	5,481,238	2,460,007

Supplemental disclosure of non-cash financing and investing activities

During the six month period ended July 31, 2005, the Company issued 12,500 common shares for share subscription of \$894 related to exercise of share purchase warrants in the previous financial year.

MANO RIVER RESOURCES INC.

Consolidated Statements of Deferred Exploration Costs

(Prepared by Management without audit)

(Stated in U.S. Dollars)

	Three months ended July 31, 2005 \$ (unaudited)	Three months ended July 31, 2004 \$ (unaudited)	Six months ended July 31, 2005 \$ (unaudited)	Six months ended July 31, 2004 \$ (unaudited)
Deferred exploration expenditures				
Assays incl. Shipment	16,046	23,307	26,328	43,856
Communications incl. Equipment	39,892	27,590	61,775	40,168
Community relations	1,365	0	16,439	-
Consultants	48,207	52,761	61,537	66,921
Data, images, reports and maps	13,608	3,683	13,608	6,875
Drilling	419,473	-	685,384	-
Exploration advances -Missamana joint venture	125,000	-	125,000	-
Geologists' support	33,382	13,587	58,178	13,587
Licenses and permit fees	49,505	103,945	105,273	106,054
Project/field office costs, incl. field equipment	127,644	52,036	324,764	89,447
Reconnaissance and geochemical	14,618	-	26,120	-
Salaries and wages	263,098	94,963	471,781	188,239
Subsistence	18,869	11,774	35,462	27,579
Transportation incl. vehicles	93,326	51,779	206,828	87,190
Net expenditures during the period	1,264,033	435,425	2,218,477	669,916
Balance, Beginning of period	11,610,660	8,875,075	10,656,216	8,640,584
Balance, End of period	12,874,693	9,310,500	12,874,693	9,310,500

MANO RIVER RESOURCES INC.

Notes to the Financial Statements

For The Six Months Ended July 31, 2005

(Prepared by Management without audit)

(Stated in U.S. Dollars)

1. NATURE OF OPERATIONS AND CONTINUING OPERATIONS

The Company is engaged in the acquisition, exploration and development of diamonds, gold and iron ore properties. The Company is in the exploration and development stage and has no source of cash flows other than advances from joint venture partners and equity offerings.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize 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 financing. If the Company cannot obtain additional financing the Company may be forced to realize its assets at amounts significantly lower than the current carrying value.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada and reflect the following significant accounting policies. The United States dollar has been identified as the Company's currency of measurement and is used for external reporting purposes.

(a) Principles of consolidation

These financial statements include the accounts of Mano River Resources Inc. and its principal subsidiaries, Mano Diamonds Ltd., Mano Gold Investments Ltd. and their subsidiaries.

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, deposits in banks and highly liquid investments with an original maturity of ninety days or less.

(c) Investments

Investments are recorded at the lower of cost and net realizable value

(d) Stock-based compensation

The Company follows Canadian Institute of Chartered Accountants Handbook Section 3870: Stock-Based Compensation, which requires that all stock-based awards made to non-employees and employees be measured and recognized using a fair value based method. Accordingly, the fair value of options at the date of grant is accrued and charged as an expense to operations, with an offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

MANO RIVER RESOURCES INC.
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Resource properties and deferred exploration costs

The Company follows the method of accounting for its mineral properties whereby all costs related to acquisition, exploration and development are capitalized by property.

(f) Loss per share

Loss per share is computed using the weighted average number of shares outstanding during the period.

3. DUE FROM JOINT VENTURE PARTNERS

During the six month period ended July 31, 2005, the Company incurred exploration expenditures on behalf of joint venture partners who are required to fund the exploration expenditures to earn their interest in a group of gold and diamond properties in Sierra Leone and Liberia. As at July 31, 2005, the amount of \$269,925 remained receivable from joint venture partners.

4. INVESTMENTS

	July 31, 2005	January 31, 2005
St. Andrew Goldfields Ltd.	\$ 34,496	\$ 34,496
Mifergui-Nimba	\$ 184,090	\$ 184,090
	218,586	218,586

The St. Andrew Goldfields Ltd. investment consists of 520,000 common shares with a quoted market value at July 31, 2005 of \$36,400 (January 31, 2005 -\$49,400)

The Mifergui-Nimba investment consists of 8,654 shares in a Guinean company that holds an interest in a mining license over a Guinean iron ore property. The investment is held at its cost of \$184,090.

5. RESOURCE PROPERTIES

	July 31, 2005	January 31, 2005
Acquisition costs		
Liberia, West Africa	\$ 320,000	\$ 320,000
Guinea, West Africa	1,940,000	1,940,000
Sierra Leone, West Africa	1,695,000	1,695,000
Closing balance	\$ 3,955,000	\$ 3,955,000

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6. SHARE CAPITAL

(a) *Authorized* - Unlimited common shares without par value

(b) *Issued*

	Shares	Amounts
Balance at January 31, 2004	210,489,613	\$ 21,132,143
Shares issued on conversion of convertible debentures	2,786,200	296,000
Shares issued on exercise of stock options	130,000	33,650
Balance at January 31, 2005	213,405,813	21,461,793
Shares issued on private placement (net of costs)	40,000,000	7,180,800
Shares issued on exercise of warrants	12,500	894
Balance at July 31, 2005	253,418,313	28,643,487

(a) During the six month period ended July 31, 2005, the Company concluded a brokered private placement of 40,000,000 common shares at GBP 0.10p each for gross proceeds of GBP 4,000,000 (\$7,480,000). A commission of 4% (\$299,200) of the gross proceeds was paid to the broker on closing of the placement.

(b) During the six month period ended July 31, 2005, the Company issued 12,500 common shares on exercise of warrants. Cash proceeds of \$894 for exercise of warrants were received by the Company on January 31, 2005 and recorded as subscriptions under shareholders' equity.

(c) As at July 31, 2005, nil warrants and the following stock options were outstanding:

Number of Common Shares	Exercise price per share (Cdn\$)	Expiry date
990,000	\$ 0.22	May 1, 2006
845,000	\$ 0.10	February 21, 2007
5,000,000	\$ 0.11	March 21, 2007
905,000	\$ 0.10	August 14, 2008
2,770,000	\$ 0.24	March 23, 2009
2,620,000	\$ 0.215	July 25, 2010
13,130,000		

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7. RELATED PARTY TRANSACTIONS

During the six month period to date, the Company incurred billings of \$116,347 from related parties for management fees and professional services. All transactions with related parties have occurred in the normal course of operations. As at July 31, 2005, the amount due to related parties totals \$200,270. These balances have no fixed terms of repayment and have arisen from the accrued provision of services referred to above and reimbursable expenses.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities are cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, and due to related parties. The fair values of these financial instruments are estimated to approximate their carrying values due to their immediate or short-term nature except for investments whose fair value is described in Note 4. Due to the nature of the Company's operations, there is no significant credit or interest rate risk. As at July 31, 2005, the Company held approximately \$4,963,364 cash in bank accounts denominated in UK currency. The Company has taken no action to reduce its exposure to foreign currency risk.