MANO RIVER RESOURCES INC.

Management's Discussion and Analysis

For the quarter ended October 31st, 2006

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 unaudited consolidated financial statements for the period ended October 31, 2006 and related notes. Unless otherwise indicated all amounts are in US dollars. The date of this management's discussion and analysis is December 20, 2006.

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 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. 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 has gone 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 much 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 exploration 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 engaged in drilling at the Bea Mountain gold projects, together with diamond reconnaissance at Weasua and in 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 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. 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. To the extent the Company’s exploration programs are successful and optionees of properties complete their earn-in, 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 and reduced to 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. Although Mano 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 U.S. 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 U.S. 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 relies heavily 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 selected gold and diamonds as its commodities of prime interest, Mano's fundamental strategy since its inception has been to target highly prospective under-explored Archaean terrain in Liberia, Sierra Leone and Guinea, West Africa. In both Sierra Leone and Liberia, important additions to Mano's property portfolio were announced in the quarter ended April 30th, 2004, culminating in the acquisition of contiguous cross-border licences totalling ±25,000 km2 and extending from the Kono diamond district in Sierra Leone, south-eastwards to Kpo in Liberia, where Mano made the first ever discoveries of diamondiferous kimberlite pipes in Liberia, in 2001. The 9,700km2 licence in Sierra Leone, joint ventured with BHP-Billiton, has been reduced to four target licences with follow up programmes planned. After an enforced break in Liberia of several years, due to civil unrest, infill drilling has been completed at KGL (now re-named 'New Liberty Gold Project') in the Bea MDA licence in Liberia, and a bankable feasibility study is nearing completion. Elsewhere in Liberia, Trans Hex are about to commence bulk sampling of diamondiferous kimberlite pipes in the Kpo MDA license. At Kono in Sierra Leone, Petra recovered the first diamonds in June from its exploratory shaft sinking on four kimberlite dykes and is expected shortly to reach a decision regarding commencement of mining. Golden Star, meanwhile, are gearing up for a major drilling programme in the Sula Mountain gold targets.

PROPERTIES

Exploration Projects – Developments during Quarter Ended 31st October 2006

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 are also assessed and factored in. Consequently, in 2002 and 2003, Sierra Leone was the country in which the bulk of the Company's exploration activity took place, with funding divided between advancing the diamond properties in the Kono district and exploring the gold properties in the Sula Mountains. Subsequently, during 2004, all of the Sierra Leone programmes were joint ventured with carefully selected partners and a great deal of preparatory work for the resumption of exploration took place in Liberia, most notably in the securing of rights to the 15,000km2 MCA licence. Elsewhere in Liberia, joint venture partner, Trans Hex, commenced an exploration programme over Mano's Kpo licence under the joint venture originally signed in June 2002.

Gold –Liberia

On October 24th, 2006, Mano announced a significant increase in the gold resource estimate at the Company's 100% owned New Liberty Gold Mine ("NLGM") project in Liberia, West Africa. The NLGM project is a classic Archaean shear-zone-hosted gold deposit and is 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 was signed in November 2001, provides for both exploration and production activities, and is renewable after an initial 25 year term.

Resource calculation

The mineral resource estimates are JORC and National Instrument 43-101 compliant and were completed by independent consultant, Lower Quartile Solutions (LQS), of Johannesburg, South Africa. LQS have 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 discussing the updated resource estimates will be filed on SEDAR at www.sedar.com and placed on the Company's website, following the filing. The resource estimates are summarised as follows:

New Liberty Gold Mine Project Mineral Resources at a 1.0 g/t cut off grade October 2006:

Resource Category	Tonnes	Gold Grade (g/t Au)	Contained 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 completed to date totalling 8,767m, spaced at approximately 25m centres along 2km of the strike length of the NLGM project. A further 18 diamond drill holes are planned to complete the current in-fill drilling programme. 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 previous historic (non NI 43-101 compliant) independent gold resource estimate, undertaken in 2000 and based on the first 26 drill holes completed, gave an estimated indicated resource of 181,000 ounces and an inferred resource of 427,000 ounces. The mineral resources referred to above are not mineral reserves and have no demonstrated economic viability.

Sierra Leone Projects

1. **BHP Billiton Joint Venture**

On August 14th, 2006, Mano announced that it had discovered the first known kimberlite dyke in south eastern Sierra Leone. The kimberlite was the first to be discovered in the 9,700km2 Reconnaissance Exclusive Prospecting Licence ("REPL") that is held under joint venture with BHP Billiton. It is located in the southeast of the REPL and was discovered through trenching over positive kimberlite indicator minerals, including abundant G10 garnets. Preliminary indications are that the kimberlite is a 1.8m wide dyke that could extend over a potential distance of two kilometres on the basis of the indicator mineral distribution.

The dispersion of the indicator minerals suggests the presence of additional kimberlites in the area and thus it is possible that a new kimberlite cluster for Sierra Leone has been identified. Elsewhere in the REPL, follow up work continues in four separate areas where indicator mineral anomalies have been identified. BHP Billiton is funding the exploration programme and can earn a 51% equity interest in the licence once expenditure of $3.4million has been achieved. Expenditure to date exceeds $1 million.

On September 18th, 2006, the Company announced the discovery of extensions to the high-grade Tongo kimberlite dykes within its Reconnaissance Exclusive Prospecting Licence ("REPL") in Sierra Leone. The partners will shortly be applying for core target areas, to include the Tongo dyke extensions, and 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 is 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. Mano recently collected five small samples, weighing a total of 1,050kg, 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, as summarised below.

Sample Number	Weight (kg)	Gamets	Ilmenites	Chromites	Chrome Diopside	Diamonds	Weight (carats)
2446	120	0	50+	50+	0	**2**	**0.25**

2505	430	50+	50+	50+	0	**15**	**1.655**
2504	250	50+	10	50+	0	**4**	**0.005**
2506	250	50+	50+	50+	50+	**9**	**0.05**
2449	20	19	50+	50+	0	**1**	

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. These data are 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 kimberlite 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.

African Aura Joint Venture

In 2005, Mano established a Joint Venture with private junior gold exploration company African Aura Resources Ltd (“AAR”), whereby Mano can earn a 78% interest in the diamond rights of AAR’s property in western Liberia through completion of a bankable feasibility study within four years. On October 10th, 2006, Mano announced positive results from a recently completed work programme over AAR’s 400 square kilometres licence.

Mano collected and processed some 80 stream samples from throughout the licence area. Many of these samples 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 work has already commenced over one high priority target around the village of Israel, which hosted over 25,000 artisanal diamond miners in the 1970s.

Iron Ore – Liberia

On October 7th, 2006, the Company announced the results from assaying of grab samples taken during a comprehensive mapping and sampling programme in the Putu iron ore licence in eastern Liberia. Mano contracted independent consultants 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 possible pre-feasibility study, subject to establishing a suitable resource.

The three-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, located in Grand Gedeh County, near the town of Zwedru. The port of Greenville, with natural near-shore deep water, is just over 100km from Putu with a downhill south-west gradient gently undulating to the sea.

Samples were collected from pits and trenches of previous exploration programmes. Samples were 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 hematite.

Assay results for 103 grab samples (see Table 1) illustrate that the most deleterious mineral that is found in significant quantities in the assayed samples is quartz. They 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 hematite have large grain sizes, which indicates that the quartz could be separated from the hematite at a fairly coarse grain size.

Table 1 **Putu Iron Ore Prospect; Percentage of samples above a specific Fe grade (wt% Fe)**

Fe %	*% of Samples*
>40	96%
>50	73%
>60	53%

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.

Further Work

Mano's continuing exploration programme involves further geological mapping and surface data collection as well as opening up and channel sampling of an adit that crosscuts the defined mineralisation. Mano will then be in a position to more accurately delineate the true extent and style of mineralisation. Diamond drilling of the deposit will commence after this has been completed.

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

Mano's 100% owned MARIO group owns 80% of Mano River Iron Ore Ltd., which in turn holds 80% of Mano River Iron Ore (Liberia) Inc., the holder of the afore-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 BHPBilliton managed Nimba Iron Ore deposit straddling the Liberian border, in Guinea.

Exploration Projects - Subsequent Events

Diamonds KONO

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 and manage 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 being achieved. When these shafts reach a target depth of 30 metres, core drilling will 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 recently 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 is currently 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 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 is not yet possible, however, to establish accurate diamond grades for the kimberlite processed at this stage, 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.

CORPORATE

On September 8th, 2006, Mano announced that it had identified 11,601,492 Common Shares, which were required to be formally admitted to AIM, the issue of 8,672,787 of these Common Shares having previously been announced. In respect of all these Common Shares, application for admission had not been made at the relevant time to AIM. Accordingly, application was made for these 11,601,492 Common Shares, which rank *pari passu* in all respects with the existing Common Shares, to be admitted to trading on AIM and dealings in these shares commenced on 14 September 2006.

The Company had previously properly entered all of the 11,601,492 Common Shares in its share register and with their Canadian Registrars and Transfer Agent. The Company's financial statements have at all times disclosed the correct numbers and amounts of the common share capital, net worth, and earnings per share. The only omissions have been announcement of some allotments and seeking admission to AIM for an increased number of Common Shares.

On September 22nd, 2006, the Company announced that incentive stock options (“Options”) had been granted 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 Cdn$0.23 cents per share. The granting of the stock options was subject to regulatory approval, which has subsequently been obtained.

Subsequent Events

On November 1st, 2006, the Company announced that it received notification on 26 October 2006 from New City Investment Managers Limited that City Natural Resources High Yield Trust had reduced its holding of Common Shares of Mano to 7,200,000 shares (2.48%) and as a result no longer has a notifiable interest in the Company.

On November 22nd, 2006, Mano announced the appointment of Karl Smithson as an Executive Director, with immediate effect. Mr Smithson (40) is presently Mano's Chief Operating Officer, Diamonds Division, having served as Vice President Exploration – Diamonds since 2003, following three years in a consulting capacity. Karl is a geology graduate of Kingston University and is currently 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. Karl's 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. The discovery in Botswana is due to enter commercial production in the near future as the Lerala Diamond Mine.

SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

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

	October 31, 2006	July 31, 2006	April 30, 2006	January 31, 2006
Total revenue (Interest income)	13,322	$ 7,229	$ 18,134	$ 35,450
Net loss	486,319	199,679	134,324	115,169
Net loss per share	0.002	0.001	0.001	0.001
Total assets	27,404,088	27,545,680	22,093,071	22,287,420

	October 31, 2005	July 31, 2005	April 30, 2005	January 31, 2005
Total revenue (Interest income)	$ 47,267	$ 34,432	$ 778	$ 3,911
Net loss	508,969	640,132	83,995	219,210
Net loss per share	0.002	0.003	0.001	0.001
Total assets	22,461,923	22,878,781	23,259,126	16,440,201

RESULTS OF OPERATIONS

In the nine months ended October 31, 2006 the Company had a net loss of $820,322 as compared to a net loss of $1,233,096 for the corresponding period in 2005. This is a $412,774 decrease in net loss compared to 2005. The fluctuation in net loss is primarily due to decrease in general and administrative expenses as discussed below.

General and administrative expenses were $859,007 in the nine months ended October 31, 2006 compared to $1,315,573 in the same period in 2005. This decrease was primarily due to foreign exchange gain of $107,412 for the current period compared to a net foreign exchange loss of $296,232 for the same period in 2005. Other administrative expenses experienced lower costs: transfer agent filing fees $47,739 (2005 - $74,191) decreased by $26,452 due to reduction in share activity. Professional fees $343,642 (2005 - $493,112) decreased by $149,523 due to the reduction in regulatory requirements and corporate reorganization costs. Stock-based compensation $469,229 (2005 - $335,445) increased by $133,784. In the third quarter the Company granted 2,980,000 stock options 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 $469,229.

The Company has no revenue from mining operations. Revenue for the period consisting of interest earned from cash deposits was $38,685 as compared to $82,477 in 2005, a decrease of $43,792. This decrease in interest income was mainly due to decrease in cash balances during the nine months ended October 31, 2006 as compared to the same period in 2005.

LIQUIDITY AND CAPITAL RESERVES

At October 31, 2006, the Company had working capital of $2,217,760 as compared to working capital of $3,015,165 at October 31, 2005. The Company had cash of $2,187,872 (2005 - $4,439,291).

As at **December 20, 2006**, the following stock options were outstanding:

Number of Common Shares	Exercise price per share (Cdn$)		Expiry date
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
2,980,000	$	0.23	July 31, 2011
15,120,000	Total		

On May 1, 2006, 990,000 stock options exercisable at a price of Cdn$0.22 expired unexercised.

Cash used for operating activities during the quarter ended October 31, 2006, was $195,388 (2005 – $865,603) after adjusting for the non-cash activities. Cash flows from financing activities for the period ended October 31, 2006 were $5,533,329 compared to $6,954,129 in 2005. The Company completed a GBP 3,165,000 ($5,485,017 net) private placement in July, 2006.

As at October 31, 2006, the Company had total assets of $27,404,088 as compared with $22,461,923 for the same quarter in 2005. At October 31, 2006, the Company had total liabilities of $168,316 (2005 - $307,290) include $153,354 (2005 - $282,565) due to related parties for reimbursable expenses, director and board committee fees, management fees and professional fees.

During the quarter ended October 31, 2006, the Company expended $5,931,329 on deferred exploration expenditures on its mineral properties as compared to $3,024,874 in 2005. The increased exploration expenditures were due to an expanded level of exploration activity as a result of available funding.

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. As at October 31, 2006, the amount of $75,694 remained receivable from 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 **December 20, 2006** there were 292,980,818 common shares outstanding.

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 nine months ended October 31, 2006, the Company incurred billings of $158,810 from related parties for management fees and professional services. All transactions with related parties have occurred in the normal course of operations. As at October 31, 2006, the amount due to related parties totals $153,354. These balances have no fixed terms of repayment and have arisen from the accrued provision of services referred to above and reimbursable expenses.

Changes in accounting principles

Stock-based compensation

The Canadian Institute of Chartered Accountants (“CICA”) amended the stock option compensation and other stock based payments accounting standard during 2003. The Company adopted the standard and the unaudited consolidated financial statements for the period ended October 31, 2006 reflect this change.

OUTLOOK

The GBP3.2million private placement, concluded in July 2006, has enabled the Company actively to pursue its objective of adding shareholder value, firstly, through completion of a bankable feasibility study on the New Liberty Gold Project (formerly ‘KGL’) gold project in western Liberia and, secondly, to maintain Mano’s 49% equity position in the Petra-operated Kono diamond project in Sierra Leone. Simultaneously, through joint ventures funded by carefully selected partners, four other properties have been advanced.

The promising New Liberty gold project in western Liberia continues to be the main focus of Mano-funded (as distinct from joint-ventured) exploration, together with diamond reconnaissance over the 15,000km2 MCA license. In all 112 drill holes have been completed at New Liberty gold project, including hole KGD-63 grading 8.45 g/t gold over 37 metres, representing the best intersection achieved to date on the property. 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 considerable in-depth dimension. The bankable feasibility study is nearing completion under the direction of a dedicated project manager, the objective being to achieve, subject to financing, gold production in the first half of 2008 at a rate of approximately 60,000 ounces a year.

The five joint-ventured programmes, which got under way in 2004/05, are progressing well, most particularly at the Kono diamond project in Sierra Leone where Petra Diamonds completed the installation of a processing plant and commenced shaft sinking for test mining at three locations on kimberlite dykes. Initial production of diamonds from bulk sampling and test mining was achieved in June 2006. Petra are currently excavating four exploratory shafts, as they seek to identify the best location on which to commence full scale mining. Following the completion of a regional geochemistry programme, **Golden Star** have identified a number of gold targets and are gearing up for a major drilling campaign in the Pampana and Sonfon licences in Sierra Leone. The major BHP-funded diamond reconnaissance programme in eastern Sierra Leone has been completed, with several targets of interest identified. Application has been made for three Exclusive Prospecting Licences (EPLs) and one Exclusive Exploration licence (EXPL), with BHP-Billiton planning a drilling campaign on the latter. In Guinea, **Navasota** reported encouraging results from phase 1 drilling at Missamana/Gueliban and are presently endeavouring to raise the funding to commence phase 2. At Weasua in Liberia, the results from the 3,000m drilling programme testing Mano's cluster of kimberlite pipes in the **Trans Hex**-funded joint venture were very encouraging. As a result, Trans Hex are importing a processing plant from South Africa to enable the bulk test work to be completed as quickly as possible.

On the political front, the election of Ellen Johnson-Sirleaf as Liberia's President (and Africa's first female Head of State) constituted a huge step forward in terms of normalising conditions in the country. Her strong links with the United States will be of particular importance, since the latter's support is a vital element in the ongoing economic recovery of the country. In Sierra Leone, a UK-sponsored Investment Forum in March was well-attended and provided further evidence of that country's improving economic prospects.

On Behalf of the Board,
MANO RIVER RESOURCES INC.

TOM ELDER
President