MANO RIVER RESOURCES INC.

Management's Discussion and Analysis

For the period ended January 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 audited consolidated financial statements for the period ended January 31st, 2006 and related notes. Unless otherwise indicated all amounts are in US dollars. The date of this management's discussion and analysis is May 30th, 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 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 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 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 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 at the Mineral Cooperation Agreement (MCA) area in the west of Liberia. Initial 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. If any of the Company's exploration programs are successful and optionees of properties complete their earn-in, the Company would have 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 ts 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
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. After an enforced break in Liberia of several years, due to civil unrest, drilling is now well under way on both the gold projects in the Bea MDA licence in Liberia, namely, the KGL and Weaju projects and on diamondiferous kimberlite pipes in the Kpo MDA license.

PROPERTIES

Exploration Projects – Developments during Year Ended 31st January 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, almost 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 the exploration programme over Mano's Kpo licence under the joint venture originally signed in June 2002.

Diamonds -Liberia

On December 13th, 2005, the Company announced the discovery of two new kimberlites in its Mineral Cooperation Agreement (MCA) licence. The MCA is a 70:30 contributory Joint Venture between Mano and the Government of Liberia and covers an area of some 15,000 square kilometres in the west of the country.

The two new kimberlites, designated Alpha-2 and Alpha-3 were discovered through pitting of kimberlite indicator mineral anomalies generated through detailed soil sampling. Alpha-2 is located only 350m to the north of the previously reported Alpha-1 kimberlite discovery, whereas Alpha-3 is located some 10km to the south. In both cases, the areas surrounding the kimberlites have been subjected to extensive surficial artisanal diamond mining. Pitting indicates that Alpha-3 is potentially a kimberlite pipe, although further work needs to be done to confirm its dimensions, as well as those of Alpha-2.

Exploration in the MCA has recently focussed on detailed soil sampling, which has been completed over seven blocks measuring 1km by 1km each. Results are available for four of the blocks, all of which show abundant indicator anomalies suggestive of new kimberlites. As part of the exploration programme, detailed ground magnetics and gravity surveys were completed over two blocks that host the Alpha-1 and Alpha-2 kimberlites. Encouraging results were generated that are being investigated. In addition, ground magnetic surveys will be completed over all the other sampling blocks, including the Alpha-3 area.

On January 4th, 2006, the Company announced that kimberlite pipe **K007** had been established as being diamondiferous. K007 was discovered in mid-2005, within the Kpo *Mineral Development Agreement* licence area (Kpo MDA) in western Liberia. The Kpo MDA, covering 200km^2, is being explored in joint venture with Trans Hex Group ('THG'), where expenditure of $2 million over three years will earn THG a 50% equity interest in the MDA. Thereafter, Mano can maintain its interest at 50% or offer Trans Hex the opportunity to increase its equity to 69% by funding feasibility studies and mine construction.

Approximately 600kg of very decomposed K007 kimberlite obtained by pitting were washed and jigged on site and the concentrate picked in Mano's recently established diamond laboratory in Monrovia. A single, +3mm gem quality diamond weighing 0.4-carats was recovered from the sample. Although the sample is considered small and unrepresentative, it is encouraging that such a diamond was recovered from the kimberlite and further work is therefore considered justified.

Elsewhere on the Kpo MDA, pitting of some high interest gravity anomalies had resulted in the size estimate of pipe K002 being larger than the previously mapped 4-hectares. Pitting is ongoing and a more accurate size estimate should be established in the near future.

Gold -Liberia

On November 8th, 2005, the Company announced further encouraging assay results from the follow-up diamond drill holes on the Weaju gold project in Liberia, West Africa. Weaju is located in the wholly-owned Bea Mineral Development Agreement (Bea MDA) licence in the Bea Mountains greenstone belt, 130km north of Monrovia. Summarising the results from the drilling:

Of the 23 new holes completed to date in 2005 and for which assays were available, 10 intersected significant mineralization, arbitrarily defined by Mano 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 28 (166m.g). One hole was abandoned in bad ground. Three holes extended the North Zone a further 100m to the west, with best intersections of 3.9g/t gold over 6m and a further 2.1g/t over 8m in hole 25. Holes 28 (yielding 27.7g/t gold over 6m) and 26 (1.32g/t gold over 8m) are located in a new zone termed 'Creek' zone, while holes 19, 20, 23 and 24 (see below for details) have resulted in the discovery of a fourth new mineralised structure termed 'Ridge' Zone.

The drilling is confirming that the geology of Weaju is considerably more complex structurally than at Mano's KGL project, further to the west, although the rock units involved and style of gold mineralisation observed are very similar. The overall strike length of the presently known gold mineralization at the Weaju project has more than doubled to over 600m, within which four distinct sub-parallel lenses each 100 to 200m in length have been identified. It is also important to note that, so far, Weaju remains completely untested below a depth of 100m from surface. Some 100m south of the Main Zone drilled in 2000, and sub-parallel to it, a new artisanal working has been opened up.

Gold – Sierra Leone

On November 18th, 2005, Mano and joint venture partner Golden Star Resources Ltd. announced results from their continuing gold exploration programs in Sierra Leone. New gold zones were discovered on the Pampana and Sonfon projects through identifying major gold-in-soil anomalies.

Between October 2004 and May 2005, nearly 5,300 soil samples were collected from the Pampana, Sonfon and Nimini properties in Sierra Leone, which are held by the Mano joint venture with Golden Star. The regional sampling exercise broadened the joint venture's targeting criteria over the three large project areas where there has been limited previous systematic exploration.

At Pampana North in the Archean Sula Mountains Greenstone Belt, a new gold discovery was made. Called the Alpha Trend, there are a number of highly anomalous gold (Au) occurrences (>372ppb Au) along a six kilometre strike extent that occur three kilometres to the west of the Yirisen prospect, which was drilled by the joint venture in 2004. The results of the regional sampling not only suggest that the new Alpha Trend is a better target than the Yirisen geochemical anomaly, they also highlight an additional target four kilometres south-southwest of previous drilling at Yirisen. Details of the diamond drilling program at Yirisen can be found on the Mano website at www.manoriver.com. As the current regolith sampling was conducted on a wide-spaced grid (800 x 100m), both the Alpha and new Yirisen Trend anomalies are being followed up with closer-spaced sampling, mapping and trenching.

Significant regolith gold anomalies (>160 ppb Au, with high values up to 9,963 ppb Au) occur in north-south structures over a 10 kilometre strike length at Sonfon. The majority of regolith mapped in this area is considered to have formed *in situ* and it is expected that bedrock mineralization may occur in close proximity to the surficial gold anomalies. This is further supported by the strongly anomalous rock-chip samples (three samples contained 2.25, 2.67 and 7.05 g/t Au) that have been taken in close proximity to the gold-in-soil anomalies. As at Pampana, the Sonfon anomalies are being immediately followed up with closer spaced sampling, mapping and trenching. Follow-up drilling on Pampana and Sonfon is expected to commence in the third quarter of 2006. A budget of $750,000 funded by Golden Star has been allocated to the initial phase of this work.

Gold – Guinea

Navasota reported encouraging results from phase 1 drilling at Missamana/Gueliban and are presently endeavouring to raise the funding to commence phase 2.

Iron Ore - Liberia

On November 29th, 2005, Mano announced the results from assaying of grab samples taken during a site inspection of the Putu iron ore licence in eastern Liberia. This three-year Mineral Exploration Agreement ('MEA') licence, awarded to its affiliate, Mano River Iron Ores (Liberia) Inc. in May 2005, covers a 425 square kilometre area centred over the Putu iron ore prospect in eastern Liberia.

Mano's field team completed two reconnaissance traverses in the central and southern parts of the 8 kilometre long Putu Range, collecting a total of 21 grab samples. Assay results of the samples for iron (Fe) ranged from 2.06% to 65.54% Fe. The lower grade samples, numbers 1 to 6, which averaged only 7.90%Fe, were collected at lower elevations on the western flank of the Range, near the southern end. Samples 7 to 20, which averaged 49.07% Fe and included all the higher-grade values, were collected at intervals over a one kilometre traverse of the central part of the Range. The final sample, number 21, came from the stockpile of an ancient smelting works and assayed 47.78% Fe. Mano is now gearing up to establish a field base in the area and get a comprehensive mapping and sampling programme under way.

The Putu prospect is one of several iron ore deposits and prospects discovered in Liberia in the 1950s. Located in Grand Gedeh County, it lies 270 km southeast of Monrovia near the town of Zwedru. The iron ore exporting port of Buchanan is 200km away to the west. The Monrovia-Harper highway, one of the major highways in the country, passes very close to the prospect. The area is one of gentle relief, rising to 700m in the Putu Range itself.

With a presently mapped extent of at least 8km, initial exploration in the early 1950s concluded that the Putu prospect had a target potential of up to 500 million tons of iron mineralisation. Extremely limited surface grab sampling at that time reportedly yielded grades in the 35-40% Fe range, but later assays, from the 1960s, often sampled in the high 50% and even low-to-mid 60% range (i.e. very similar to the values obtained now by Mano). Because of its relatively remote location at the time, no more recent investigation has been carried out. Mano's initial exploration work has not provided sufficient data to confirm the previously indicated target potential of the Putu prospect and the figures quoted above should not be relied upon as a current estimate.

Mano River Iron Ores (Liberia) Inc (MARIO) is 80% owned by Mano, and is the owner of the Licence. The remaining equity is held, subject to future dilution, 10% by Eastbound Resources Ltd, a company related to Guy Pas a director of Mano, in return for early stage risk capital provided for this new activity and 10% by Bert Cooper, a UK resident Liberian who is advising MARIO on strategy.

Exploration Projects - Subsequent Events

Diamond Update

On May 9th, 2006, Mano issued an update on its diamond exploration and production plans, as follows:

Sierra Leone Projects

1. **Kono**

   Mano's Joint Venture with Petra Diamonds in the Kono district of Sierra Leone is progressing well and initial diamond production from bulk sampling and test mining is expected in 2006. The dense medium separation ('DMS') diamond processing plant is installed and is currently being commissioned. Macro-diamonds have been recovered from small sample lots at the Lion 2 and Lion 3 kimberlite dykes, whilst 6 macro-diamonds, totalling approximately 1 carat, have been recovered from the site selected for the intrusion point at Lion 5 dyke. Construction of associated camp, plant and other infrastructure has also been completed. Shaft sinking has commenced in two separate areas of the Lion-3 and Lion-5 dykes, with a third area on Lion-2 being investigated for the suitability for the sinking of a shaft. Each shaft will be sunk to a depth of 30m before tunnels are driven along strike within the kimberlite dykes to recover a bulk sample in the order of 10,000 tonnes of kimberlite from each shaft site. These bulk samples will be hauled a maximum of 3 to 5km to the plant site and processed in separate batches so that grades and diamond values for each kimberlite dyke can be established to prioritise the order of full scale mining of the dykes. Petra has now invested the $3 million needed to earn a 51% equity interest in the property and Petra and Mano (49%) will share ongoing investment pro-rata. Petra is operator of the project.

2. **BHP Billiton Joint Venture**
Reconnaissance sampling by joint venture partner, BHP Billiton, of the 9,700km^2 licence area in the east of Sierra Leone has identified five discrete areas anomalous in kimberlite indicator minerals. Follow up sampling has been completed in all of these areas, though results are currently available for only three. One particular area that has yielded abundant G10 garnets has been subjected to detailed soil sampling and ground magnetics, with ground electro-magnetic surveys scheduled to commence in June. The joint venture will retain the five anomalous areas and relinquish over 90% of the large reconnaissance licence. These five areas will be the focus of future follow-up work. BHP Billiton is currently sole funding a $3.4 million programme to earn a 51% joint venture interest in the property.

Guinea Project

1. **Mandala / Bouro**
Mano recently signed a joint venture agreement with SearchGold Resources ("Search") of Canada whereby Search and Mano have formed on a 50/50 basis a company called Guinea Diamond Corporation, containing their respective alluvial diamond and kimberlite diamond projects in the Mandala / Bouro region of southeast Guinea. The Mandala project has a measured diamond resource of 330,200 carats and an indicated diamond resource of 204,962 carats, as established by consultant geologist Peter Walter in a NI 43-101 filed report (reference SearchGold announcement dated August 2004 on SEDAR http://www.searchgold.ca/mp/pdf/Mandala-Ouria_report_Aug_2004.pdf). It is the objective of the Mandala Joint Venture to establish alluvial diamond production by the end of 2006, with initial production of 5,000 carats per month envisaged. A suitable rotary pan and DMS plant is being investigated and it is hoped that this can be acquired and shipped to Guinea in the near future. Advertisements for a qualified, experienced project manager have been placed and the incumbent will be hired and relocated to Guinea to oversee the establishment and commissioning of the operation. When the alluvial diamond facility is operating, the high-grade Bouro kimberlite dykes will be bulk sampled with a view to establishing the diamond grades and values. Previous sampling 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.

Liberia Projects

1. **Weasua Kimberlite Project**
The Weasua kimberlite project is a Joint Venture with Trans Hex Group of South Africa. Trans Hex is currently spending $2 million to earn a 50% equity interest the project. To date, some six kimberlite pipes have been discovered, five of which are confirmed as diamondiferous. Detailed soil sampling, ground magnetics and gravity and delineation pitting has been conducted since resumption of exploration in 2005. The two largest pipes are K002 and K003, at just under 7 hectares and 4 hectares respectively, both of which have been mined at surface by artisanal diamond miners for some time. A 3,000m core-drilling programme has recently commenced on pipes K001, K002, K003 and K007 with the objectives of delineating the pipes at depth as well as providing approximately 20 tonnes of fresh kimberlite samples for micro- and macro-diamond recovery.

Subject to encouraging results, a larger diameter drilling and surface bulk-sampling programme will be conducted to establish the macro-diamond grade and value of these pipes.

2. **Mineral Cooperation Agreement ("MCA")**
The 70:30 Joint Venture between Mano and the Government of Liberia continues to yield exciting results. Three kimberlites have been discovered to date, the first of which, designated Alpha-1, has proven diamondiferous (Alpha-2 and 3 have not yet been tested). Detailed soil sampling, ground magnetic and gravity surveys have been completed over many anomalous areas and the kimberlites, with numerous targets being generated. Core drilling of the Alpha-1, 2 and 3 kimberlites has commenced and Alpha-1 has been confirmed as a small pipe with associated dyke system. Recently, a 3,000-line km detailed airborne heli-mag geophysical survey was flown over the most anomalous areas of the MCA. Data is currently being processed and interpreted. Reconnaissance sampling has progressed throughout the wider 15,000km^2 MCA area in western Liberia. The samples collected are being processed in Mano's recently established diamond laboratory in Monrovia.

3. **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. Mano has recently completed reconnaissance sampling on the property and has identified a number of high interest indicator mineral anomalies for follow up work. Some of these anomalies are located near the diamond mining village of Camp Israel, which has long been the focus of intensive alluvial artisanal diamond mining.

Gold - Liberia

On March 23rd, 2006, Mano announced further encouraging assay results from the remaining diamond drill holes completed on the Weaju gold project in Liberia, West Africa, during 2005.

Summary of results: Of the final batch of eleven holes completed towards the close of 2005, seven intersected significant mineralization, arbitrarily 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). A full list of the drilling results appears below in Table 1.

The 2005 drilling has now 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.

A listing of the most recent drill results is set out below as Table 1, including coordinates of the drill collars (for data on the earlier holes, see Mano news release of 8th November 2005 on Mano's website, www.manoriver.com).

Table 1 Weaju Drilling Assays

Hole	Easting	Northing	from	to	Length metres	Grade g/t gold
W38	287916	790917	66	100.1	**34.1**	**0.70**
	incl		*78*	*85*	*7*	***2.05***
		ENDS IN MINERALISATION				
W39	287876	790962	No Significant Mineralisation			
W40	288058	790917	30	74	**44**	**1.20**
	incl		*36*	*39*	***3***	***10.78***
W41	287690	790792	86	96	**10**	**1.62**
	incl		*86*	*87*	***1***	***9.18***
W42	287641	791092	28	48	**20**	**1.90**
	incl		*36*	*42*	***6***	***5.45***
	and		68	71	**3**	**1.18**
W43	287618	791090	0	38	**38**	**0.71**
	incl		*18*	*28*	***10***	***1.84***
W44	287841	791071	*0*	*50*	**50**	**0.62**
	incl		*0*	*12*	***12***	***1.27***
	incl		*38*	*50*	***12***	***0.98***
W45	287857	791057	0	42	**42**	**1.60**
	incl		*18*	*27*	***9***	***6.03***
W46	287683	790715	No significant mineralisation			
W47	287707	790717	19	21	**2**	**3.07**
W48	287653	790691	0	15	**15**	**0.47**
	incl		0	4	**4**	**0.92**

On April 19th, 2006, Mano announced further encouraging assay results from the first five follow-up diamond drill holes on the KGL gold project in Liberia, West Africa.

Summarising the results from the ongoing drilling (for detail see also Table 2 below):
Hole KGD-63, designed as an 'infill' hole in the Larjor Zone, returned the best intersection yet achieved on the KGL property, i.e. 37 metres ('m') grading 8.45 g/t gold. Within that overall intersection, a subsection grades 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.

Hole KGD-60 with an intersection of 2m grading 0.78g/t gold was drilled around 500m west of the Larjor Zone, as part of the programme seeking extensions to mineralisation at KGL. Towards the eastern end of the property, Hole KGD-59 has confirmed the location of a suspected offsetting fault between the Marvoe and the Kinjor zones.

Table 2 KGL Drilling Assay Results

Hole No. KGD-	Easting	Northing	From m	To m	Length metres	Gold Grade Grams/tonne
59	11875	9552	76	79	**3**	**0.93**
60	10530	9725	13	15	**2**	**0.78**
61	10600	9725	2	16	**14**	**2.54**
			incl 6	9	**3**	**10.78**
			AND 21	37	**16**	**0.42**
62	10713	9703	59	95	**36**	**2.02**
			incl 83	91	**8**	**5.09**
63	10763	9710	42	44	**2**	**2.41**
			AND 55	92	**37**	**8.45**
			incl 79	87	**8**	**23.39**

Although more than 60 holes have now been completed at KGL, it is important to note that, so far, the prospect remains completely untested below a depth of 100m from surface. Mano intends to advance its gold strategy and appoint, in the near future, technical consultants for a feasibility study, to fast-track into production by the fourth quarter 2007 its Liberian KGL project as an open pit mine, to be renamed the 'New Liberty Gold Mine', subject to financing.

CORPORATE

On November 24th, 2005, Mano and Petra Diamonds announced that they had agreed to terminate the preliminary agreement entered into on October 3rd, 2005 whereby the businesses of Mano and Petra were to have been combined. Guy Pas, Chairman of Mano, and Adonis Pouroulis, Chairman of Petra, jointly expressed that both Mano and Petra considered that it was in their respective best interests to terminate the merger. They will continue to work closely together to develop their Kono project in Sierra Leone and collaborate on relevant technical matters.

Subsequent Events

On May 9th, 2006, Mano announced that it had completed an internal reorganization of its subsidiary companies holding its various exploration and mining licences in Sierra Leone, Guinea and Liberia. The purpose of this exercise was to simplify the internal legal structure of Mano and its holding companies, in order to facilitate a split of diamond and non-diamond assets at any point in time in the future, should Mano wish to do so.

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:

	2006	2005	2004
Total revenue (interest income)	$ 117,927	$ 50,640	$ 3,752
Net loss	1,348,265	889,364	751,652
Net loss per share	0.006	0.004	0.005
Write-off of resource property	-	-	90,090
Stock option compensation expense	397,829	585,317	56,349
Working capital	3,015,165	1,041,682	3,498,652
Total assets	22,287,420	16,440,201	16,987,073
Total exploration expenditures	4,291,377	2,015,632	993,373

SUMMARY OF SELECTED QUARTERLY INFORMATION

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

	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	0.001	0.002	0.003	0.001
Total assets	22,287,420	22,461,923	22,878,781	23,259,126

	January 31, 2005	October 31, 2004	July 31, 2004	April 30, 2004
Total revenue (Interest income)	$ 3,911	$ 10,364	$ 15,984	$ 20,381
Net loss	219,210	114,571	107,284	448,299
Net loss per share	0.001	0.001	0.001	0.001
Total assets	16,440,201	16,833,978	17,015,342	16,979,706

RESULTS OF OPERATIONS

Fourth Quarter 2006

During the fourth quarter ended January 31, 2006, the Company incurred a loss of $115,169 or $0.001 per share as compared to $508,969 or $0.002 per share in the previous quarter. Administration expenses for the quarter were $244,341. This was lower than the third quarter and was mainly attributable to a decrease in professional fees as the business combination with Petra Diamonds was terminated. Income from interest during the fourth quarter of 2006 was $35,450 as compared to $47,267 in the previous quarter. The reduction in the interest income was due to decrease in cash balances during the period. During the fourth quarter the Company had a gain on sale of investments of $93,722 (2005 - $nil) as it sold its shares in St. Andrew Goldfields and Afren plc for gross proceeds of $132,676.

Financial Results of 2006 compared to 2005

The Company's net loss for the year ended January 31, 2006 was $1,348,265 or $0.006 per share as compared to a net loss of $889,364 or $0.004 per share for the 2005 year. This is a $458,901 increase in net loss compared to 2005. The fluctuation in net loss is primarily due to an increase in general and administrative expenses as discussed below and a $285,897 foreign exchange loss.

General and administrative expenses were $1,559,914 in the year ended January 31, 2006 compared to $940,004 in 2005. The significant increase was largely attributable to higher professional fees due to an internal reorganization and the proposed Petra Diamonds business combination. Foreign exchange and other administrative expenses also experienced higher costs: directors fees $51,950 (2005 - $24,750) increased by $27,200 mainly due to fees payable to directors for their positions on various committees. Professional fees $628,804 (2005 - $272,506), including legal, audit and accounting , investor relations and nominated advisor services, increased by $356,298 due to increased regulatory requirements, corporate reorganization costs, and the proposed Petra Diamonds business combination. Transfer agent filing fees $79,452 (2005 - $50,410) increased by $29,042 due to greater share activity, including granting of stock options and increased filing fee rates. Stock-based compensation $397,829 (2004 - $585,317) decreased by $187,488. During the year ended January 31, 2006, a total of 2,620,000 stock options were granted to employees, directors and consultants at an exercise price of Cdn.$0.215 per share exercisable until July 25, 2010, resulting in a stock based compensation expense of $397,829 in 2006 as compared to 2,770,000 stock option granted at an exercise price of Cdn.$0.24 resulting in a stock based compensation expense of $585,317 in 2005. The Company also experienced a foreign exchange loss of $285,897 (2005 - gain of $155,569) during the year ended January 31, 2006, due to a stronger US dollar against the UK currency.

The Company has no revenue from mining operations. Revenue for the 2006 year, consisting of interest earned from cash deposits, was $117,927 as compared to $50,640 in 2005, an increase of $67,287. This increase in interest income was mainly due to increase in cash balances as a result of funds raised by private placement and exercise of warrants during the year ended January 31, 2006. The Company closed a brokered private placement of GBP 4,000,000 ($7,480,000) during the latter part of April, 2005.

LIQUIDITY AND CAPITAL RESERVES

At January 31, 2006, the Company had working capital of $3,015,165 as compared to working capital of $1,041,682 at the year ended January 31, 2005. The Company had cash of $2,781,260 at the same date (2005 - $1,375,639). The significant increase in cash was primarily due to the issuance of common shares in an equity financing by private placement during the year ended January 31, 2006.

As at **May 30th, 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
12,140,000	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 year ended January 31, 2006 was $1,163,628 (2004 – $499,626) after adjusting for the non-cash activities of stock-based compensation. Cash flows from financing activities for the year ended January 31, 2006 were $6,732,408 compared to $181,435 in 2005, as the Company completed a GBP 4,000,000 private placement in April, 2005.

As at January 31, 2006, the Company had total assets of $22,287,420 as compared with $16,440,201 for the fiscal year ended January 31, 2005. At January 31, 2006, the Company had total liabilities of $185,572 as compared to $568,717 at year ended January 31, 2005. Current liabilities include $105,042 due to related parties for reimbursable expenses, director and Board committee fees and professional fees.

During the year ended January 31, 2006, the Company expended $4,291,377 on deferred exploration expenditures on wholly-owned properties as compared to $2,015,632 in 2005. The increased exploration expenditures were due to a greatly expanded level of activity as a result of available funding.

During the year ended January 31, 2006, 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, 2006, the amount of $371,843 remained receivable from joint venture partners, of which $99,989 was received subsequent to year end.

OTHER INFORMATION

Outstanding share data
The Company is authorized to issue an unlimited number of common shares without par value.
As at **May 30th, 2006** there were 253,418,318 common shares outstanding compared to 213,405,818 common shares outstanding as at January 31, 2005. The increase was mainly due to the success of the Company in raising funds by equity financing..

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, 2006, the Company incurred billings of $321,909 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, 2006, the amount due to related parties totals $105,042. These balances are payable on demand 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 audited consolidated financial statements for the year ended January 31, 2006 reflect this change.

OUTLOOK

The GBP4 million private placement, concluded in April 2005, enabled the Company actively to pursue its policy of adding shareholder value in the last financial year, firstly, through additional drilling towards development of its Liberian gold properties and, secondly, through exploration of its prospective Mineral

Cooperation Agreement (MCA) licence in western Liberia. Simultaneously, through joint ventures funded by carefully selected partners, five other properties were advanced.

The promising KGL and Weaju gold projects in western Liberia continued to be the main focus of Mano-funded (as distinct from joint-ventured) exploration, together with diamond reconnaissance over the 15,000km2 MCA license. Almost 50 drill holes have been completed at the KGL gold project since the resumption of the Company's exploration work in 2005, including hole KGD-63 grading 8.45 g/t gold over 37 metres, returning 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 very considerable in depth dimension. The contract for preparation of a bankable feasibility study is expected to be signed shortly and a project manager has been appointed, the objective being to achieve gold production before the end of 2007, subject to financing, at a rate in excess of 50,000 ounces a year at what will be called the "New Liberty Gold Mine'. 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 KGL, since the two deposits may have the potential to be developed as a combined mining operation, trucking ore approximately 30km from Weaju.

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 have completed the installation of a processing plant and commenced shaft sinking for test mining at two locations on kimberlite dykes. Petra expect to be producing diamonds from bulk sampling and test mining by June 2006. The regional geochemistry programme funded by **Golden Star** has identified a number of gold targets in Pampana and Sonfon being considered for trenching and drilling later in the year. The major diamond reconnaissance in eastern Sierra Leone by the **BHP-Billiton** joint venture has been completed, with several targets of interest identified. Application will be made shortly for exclusive prospecting licences. 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, ground geophysical surveys over Mano's cluster of kimberlite pipes in the **Trans Hex**-funded programme assisted in the laying out of a 3,000m drilling programme which will be completed before the rainy season starts in July, 2006. The drilling is designed to produce bulk samples from several of the pipes, for grade determination, and to improve knowledge of their respective morphologies.

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 recent UK-sponsored Investment Forum 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