



MARIANA RESOURCES LIMITED

(Incorporated in Guernsey, Registered No. 44276)

HALF YEAR REPORT

30 June 2008

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Chairman's Review

Dear Shareholder

Over the past six months, exploration efforts have been directed at generating targets in Argentina and Chile in readiness for drill testing in the second half of the year.

I would like to highlight the Sierra Blanca silver-gold project in Argentina which continues to generate excitement within the Company. It is part of the Santa Cruz Joint Venture with IAMGOLD Corporation and is located in Santa Cruz Province, which is mining-friendly and an emerging epithermal gold/silver district of world-class significance. At Veta Chala, last field season generated exceptional silver and significant gold assays which have been confirmed by systematic outcrop channel and backhoe trench sampling. Results include:

Interval metres (m)	Grade silver (Ag) grams per tonne (g/t)	Grade silver ounces per tonne (oz/t)	Grade gold (Au) g/t	Trench location
9.4	2,362	76	1.3	Trench 1
3.4	1,238	40	10.1	Trench 3
16.5	384	12	0.6	Trench 14 (bachhoe trench)

The trenching indicates an E-W trending zone of multiple veins over a cumulative vein length of 2,300m and high to bonanza-grade silver mineralization over 1,690m, with widths up to 9m.

Drilling of approximately 19 separate targets at Veta Chala, Vetarron and Lucila prospects has commenced with 3,200m of RC and diamond drilling planned. The main focus of the drilling is Veta Chala.

Mariana has built up a substantial pipeline of new 100% owned property applications (>160,000 ha) in selected areas of the Deseado Massif, the main structural region that hosts the significant mines and advanced projects in Santa Cruz Province. The new applications were identified using satellite imagery (alteration zones), structural analysis and coincidence of prospective Jurassic rocks. Approximately one third of these areas has been checked in the field and are showing promise. Initial rock chip sampling is encouraging with assays such as 0.7 metres @ 21.7 g/t Au, 62 g/t Ag.

Mariana has optioned the La Borita copper prospect on the Alubrera porphyry copper trend in Catamarca Province in northern Argentina. A coincident topographic basin, magnetic low and 1.5 square kilometers of copper-bearing travertine indicated potential for concealed porphyry copper mineralization. Results of IP and ground magnetics are encouraging and are consistent with a non-magnetic porphyry intrusion and related sulphide mineralization at depth. This concealed porphyry copper target has enormous upside for Mariana.

Mariana has joined forces with Minotaur Exploration Ltd, a highly successful Australian junior specialising in Iron-Oxide-Copper-Gold (IOCG) exploration and is actively exploring the Buenaventura copper prospect, 50 km NNE of Copiapo, Chile. Minotaur (50%) and Mariana (50%) may earn 51% in Buenaventura by staged expenditure of US \$3 million over 3 years and 80% by completing a bankable feasibility study within a further 3 years.

The Buenaventura project is in the prolific Chilean IOCG Belt, mid-way between the major Candelaria (Freeport) and Manto Verde (Anglo American) copper mines. Previous drilling by owners Buenaventura CSM, mainly in areas of outcrop, intersected mineralized widths from 10 to 90 metres with grades ranging from 0.2 to 0.5 % copper. Approximately 75% of the area is masked by gravels and a comprehensive ground gravity survey has been completed, for which results are awaited.

Also in Chile, Mariana has optioned the Perro Chico copper-gold prospect and applied for surrounding areas. It has a number of copper-gold occurrences and a skarn hosted copper-gold target extending over 500m and at least 5.5m thick with rock chip assays of up to 1.8% Cu and 2.2 g/t Au. The area also has IOCG potential.

On the Corporate front, Mariana Resources Limited has appointed JMFin Capital Markets Limited ("FinnCap") as Broker in the United Kingdom to replace Haywood Securities (UK) Ltd. The role of Haywood Securities in Mariana's IPO in 2006 is acknowledged and the Company intends to maintain its good relations with Haywood.

John Horsburgh
Chairman

Mariana Resources Limited and its controlled entities.

Condensed Consolidated Profit and Loss Account for the half-year ended 30 June 2008

	Half-year 30 June 2008 Unaudited £	Half-year 30 June 2007 Unaudited £	Full year 31 December 2007 Audited £
Turnover	-	-	-
Administrative expenses	(336,320)	(355,116)	(829,327)
Share based payments	(214,716)	-	(71,600)
Exploration expenditure written off	(455,389)	-	(669,824)
Net Operating Expenses	<u>(1,006,425)</u>	<u>(355,116)</u>	<u>(1,570,751)</u>
Operating loss	(1,006,425)	355,116	(1,570,751)
Interest receivable	36,422	38,376	76,114
Loss on ordinary activities before tax	<u>(970,003)</u>	<u>(316,740)</u>	<u>(1,494,637)</u>
Taxation on loss on ordinary activities	-	-	-
Loss for the financial period	<u>(970,003)</u>	<u>(316,740)</u>	<u>(1,494,637)</u>
	Pence	Pence	Pence
Loss per share – basic and diluted	(2.1)	(0.9)	(4.1)

Mariana Resources Limited and its controlled entities.

Condensed Consolidated Balance Sheet at 30 June 2008

	30 June 2008 Unaudited £	30 June 2007 Unaudited £	31 December 2007 Audited £
FIXED ASSETS			
Tangible assets	96,550	105,423	101,611
Intangible	1,663,824	1,723,812	1,477,822
	<u>1,760,374</u>	<u>1,829,235</u>	<u>1,579,433</u>
CURRENT ASSETS			
Receivables	151,555	62,503	51,846
Cash at bank and in hand and on deposit	1,392,844	1,292,702	1,501,075
	<u>1,544,399</u>	<u>1,355,204</u>	<u>1,552,921</u>
CREDITORS			
Amounts falling due within one year	76,465	24,620	5,610
NET CURRENT ASSETS	<u>1,467,934</u>	<u>1,330,585</u>	<u>1,547,311</u>
NET ASSETS	<u>3,228,308</u>	<u>3,159,820</u>	<u>3,126,744</u>
CAPITAL AND RESERVES			
Called up share capital	5,455	3,539	4,581
Share premium account	5,809,203	3,896,333	4,935,790
Other reserves	289,568	(12,040)	92,282
Profit and loss account	(2,875,918)	(728,012)	(1,905,909)
EQUITY SHAREHOLDERS' FUNDS	<u>3,228,308</u>	<u>3,159,820</u>	<u>3,126,744</u>

Mariana Resources Limited and its controlled entities.

Condensed Consolidated Statement of Changes in Equity for the half-year ended 30 June 2008

	Called up share capital £	Share premium £	Other Reserves £	Profit & Loss Account £	Total £
Balance at 31 December 2006	3,539	3,896,333	(35,855)	(411,272)	3,452,745
Issue of share capital					
Foreign Exchange gains/(losses)			23,815		23,815
Share based payments					
Net loss for the period				(316,740)	(316,740)
Balance at 30 June 2007	3,539	3,896,333	(12,040)	(728,012)	3,159,820
Issue of share capital	1,042	1,039,457			1,040,499
Foreign Exchange gains/(losses)			32,722		32,722
Share based payments			71,600		71,600
Net loss for the period				(1,177,897)	(1,177,897)
Balance at 31 December 2007	4,581	4,935,790	92,282	(1,905,909)	3,126,744
Issue of share capital	874	873,413			874,287
Foreign Exchange losses			(17,430)		(17,430)
Share based payments			214,726		214,716
Net loss for the period				(970,009)	(970,009)
Balance at 30 June 2008	5,455	5,809,203	289,568	(2,875,918)	3,228,308

Mariana Resources Limited and its controlled entities.

Condensed Consolidated Cash Flow Statement for the half-year ended 30 June 2008

	Half-year 30 June 2008	Half-year 30 June 2007	Full year 31 December 2007
	Unaudited £	Unaudited £	Audited £
Cash outflows from operating activities	(376,737)	(471,518)	(896,439)
Returns on investments	36,442	38,376	76,114
Capital expenditure and financial investment	(641,391)	(765,414)	(1,210,357)
Cash outflow before use of liquid resources and financing	(981,686)	(1,198,556)	(2,030,682)
Management of liquid resources		-	(475,000)
Financing	873,462	-	1,040,499
(Decrease) / increase in cash in the period	(108,224)	(1,198,556)	(1,465,183)
Reconciliation of net cash flow to movement in net cash funds			
Decrease in cash in the period	(108,224)	(1,198,556)	(1,465,183)
Cash outflow / (inflow) from increase in liquid resources			475,000
Net funds at the beginning of the financial period	1,501,075	2,491,258	2,491,258
Net funds at the end of the financial period	1,392,850	1,292,702	1,501,075

Mariana Resources Limited and its controlled entities.

Notes to the Condensed Financial Statements for the half-year ended 30 June 2008

NOTE 1 General information and accounting policies

General information

These condensed interim financial statements are for the period 1 January 2008 to 30 June 2008.

The financial reports for the half-years ended 30 June 2008 and 30 June 2007 are unaudited and do not constitute statutory accounts.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with any public announcements made by Mariana Resources Limited during the interim reporting period. This half-yearly financial report is in compliance with International Accounting Standard (IAS) 34: Interim Financial Reporting.

(a) Basis of preparation of the half-year financial report

These condensed financial statements have been prepared under the historical cost convention. The same accounting policies and methods of computation are followed in the half-yearly financial report as for the last annual financial report

(b) Segment Reporting

The Mariana Resources Limited group has a single business segment, namely minerals exploration. The group has activities in Ecuador, Chile, Argentina, Australia and Guernsey.

(c) Basis of consolidation

The consolidated condensed financial statements incorporate the assets and liabilities of all entities controlled by Mariana Resources Limited and the results of all controlled entities for the period. Mariana Resources Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

(d) **Earnings per share**

Basic earnings per share

Basic earnings per share is determined by dividing net loss after income tax attributable to members by the weighted average number of ordinary shares outstanding during the financial period.

Diluted Earnings per Share

As the company incurred a loss for the half year, basic earnings per share and diluted earnings per share are the same.

NOTE 2 SEGMENT INFORMATION

The consolidated entity operates predominantly in the mineral exploration industry, in Argentina, Chile and Ecuador.

NOTE 3 ISSUED CAPITAL

The total number of ordinary shares of .01 pence on issue at 30 June 2008 was 54,553,920 (31 December 2007: 45,810,568). Movements in issued shares during the half year were:

Issued shares at 31 December 2007	45,810,568
Placement at 10 pence per share 30 June 2008.	8,743,352
Issued shares at 30 June 2008.	54,553,920

NOTE 4 OPTIONS

At 30 June 2008 the company had 12,759,348 options on issue (31 December 2007: 9,329,672), each of which entitles the holder to receive on exercise, one ordinary share in the company. Movements in options during the half-year were:

Outstanding at 31 December 2007	9,329,672
Issued during the half-year	5,101,676
Expired or cancelled during the half-year	1,582,000
Outstanding at 30 June 2008	12,759,348

On 28 February 2008 the company issued 730,000 options to employees under the company's Employee Option Plan, exercisable at prices from 15 to 25 pence per share and expiring 30 October 2012.

On 30 June 2008 the company issued 4,371,676 options to participants in a placement of shares on the basis of one option for every two shares subscribed for. These options are exercisable at 15 pence per share and expire on 1 July 2010.

NOTE 5 RELATED PARTY TRANSACTIONS

See Note 4 for details of options issued to employees during the half-year. Director Ray Angus subscribed for 300,000 shares at 10 pence per share and 150,000 15 pence options in the placement on 30 June 2008. See note 7 for related party transactions which occurred after 30 June 2008.

NOTE 6 INTANGIBLE ASSETS

All costs directly relating to the acquisition, exploration and development incurred by the company or its subsidiary undertakings on its mineral properties are carried as intangible assets until such time as it is determined that there are commercially exploitable reserves at which time such costs will be transferred to tangible fixed assets to be amortised over the

expected productive life of the asset. Such costs include appropriate technical and administrative expenses but not general overheads. The directors periodically review the intangible assets for impairment and where a project is abandoned or is considered not to be economically viable, the related costs are written off.

In April 2008 the Ecuador government announced that certain categories of mining concessions held by companies were subject to cancellation. Subsequently the Ecuador government has announced a new mining act which had not passed into law at the time these financial statements were prepared. Due to the current uncertainty, the company has written off the value of all projects in Ecuador except for the Fierro Urcu project, which is in joint venture with Silex Ecuador S.A., a subsidiary of Apex Silver Mines Ltd.

NOTE 7 POST BALANCE SHEET DATE EVENTS

The company issued a total of 2,250,000 shares to directors John Horsburgh, Grahame Hamilton, John Sutcliffe and Roger Thomson following exercise of options, which raised £96,000.

As approved at the last annual general meeting, the company issued 900,000 options to director John Sutcliffe. The options are exercisable at prices from 10 pence to 20 pence and expire on 31 May 2013.

Signed by authority of the Board.

J. R. Horsburgh
Chairman

September 2008