

MARIANA RESOURCES LIMITED

(Incorporated in Guernsey, Registered No. 44276)

FINANCIAL REPORT

Six months ended

30 June 2011

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Mariana Resources Limited

Incorporated in Guernsey Reg. No. 44276

Report for the six-months ended 30 June 2011

Chairman's Review

Dear Shareholder,

Two significant milestones have been reached since the last reported Quarter. On 17 June 2011, Mariana listed on the Toronto Stock Exchange ("TSX") under the symbol "MRY". This platform allows Mariana access to the North American investor market, which is particularly familiar with gold exploration and development companies active in Santa Cruz province in Argentina. We look forward to accessing this market and building up liquidity in Mariana's shares.

An initial resource estimate announced on 11 July 2011, followed the completion of the third drilling campaign of 112 holes for 30,000m at Las Calandrias. The NI 43-101 compliant estimate of 500,000 ounces gold equivalent* was achieved well inside two years from the initial discovery. The resource comprises 11,840,000 tonnes Indicated Resources @ 1.0 g/t gold and 17.4 g/t silver and 870,000 tonnes Inferred Resources @ 0.93 g/t Au and 5.2 g/t Ag. Approximately 30% of contained gold and silver is in oxide and transition material. Preliminary metallurgical test work outlined a number of potentially economic processing options including flotation of Calandria Sur primary ore to produce a high value sulphide concentrate assaying 40.7 g/t gold and 884 g/t silver.

*- Gold Equivalent is calculated by dividing the silver assay result by 60 and adding to the gold assay result and assumes 100% metallurgical recovery.

Assays for the last 35 holes were received too late for inclusion in the resource study and significantly, many of them returned exceptional results. This is a key development and together with exploration (surface mapping, trenching and LAG sampling), underpin a minimum 5,000m drilling campaign, starting by the end of August. High priority targets include high grade vein-breccias at La Morena, Tongoril, El Clavo and Nido Norte and possible high grade zones along the northeastern flank of the Calandria Sur rhyolite breccia-hosted deposit. A major breakthrough is that the extensive volcanoclastics that surround the rhyolites, previously considered to be non-prospective, are now important target areas, particularly at Vieja Herradura and Lomo Verde.

The recent drill results from a 31 hole (5,181m) drilling programme at the Achen-Chala zone at the 70% owned Sierra Blanca silver-gold project show that Mariana is potentially more than a one project company. Robust multiple epithermal veins, with significant gold-silver intersections, have been discovered over the 1.1km trend. The next drilling campaign will commence at the end of the third Quarter. Sierra Blanca is located in the centre of the Deseado Massif, adjacent to the Argentex Pinguino epithermal gold/silver/polymetallic project.

Further to the west, the Los Amigos joint venture (49% Mariana, 51% Hochschild Mining) is progressing with the operator (Hochschild) completing a third drill campaign testing new epithermal vein targets, for which assay results are awaited.

In Chile, Mariana is funding 30% of the joint venture with Cliffs Natural Resources exploring for Iron Oxide Copper Gold (IOCG) deposits along the N Chile IOCG Belt. The joint venture has been drilling new targets and is also evaluating a number of property opportunities along the Belt.

Mariana's own initiative in Chile is proceeding with a number of opportunities having been considered. These include an option agreement for the Jiguata epithermal gold-silver project in Region I, Northern Chile where a large alteration system with anomalous geochemistry has been identified.

On the Corporate front we appointed Chris Mitchell (Canadian) in July to complement the existing board of Mariana. Chris has specific Canadian experience and will act as an independent non-executive director. He brings an increased level of financial experience regarding Canadian listed entities to the Board.

Considering the milestones achieved this quarter congratulations go to the Mariana team for another excellent performance. The continuing support of shareholders is also acknowledged. The next quarter, with the renewed drilling, promises to be equally exciting and regular updates will be provided to shareholders as results come to hand.

Financial

The Mariana group made a consolidated loss of £2,192,002 for the six-months ended 30 June 2011 (half year ended 30 June 2010: £941,319). At 30 June 2011 Mariana had cash and cash equivalents of £5,455,885.

On behalf of the Board,

J. R. Horsburgh Chairman
15 August 2011

Mariana Resources Limited and its controlled entities.

**Condensed Consolidated Statement of Comprehensive Income for the six-months ended
30 June 2011**

	Half-year 30 June 2011	Full year 31 December 2010	Half-year 30 June 2010
	Unaudited	Audited	Unaudited
	£	£	£
Revenue	18,688	61,425	70
Employee and directors benefits expense	(665,809)	(1,320,424)	(480,891)
Depreciation expense	(38,406)	(35,370)	(12,423)
Professional services expense	(279,911)	(522,864)	(174,975)
Marketing expense	(60,698)	(105,728)	(31,648)
Administrative expense	(144,282)	(166,336)	(58,010)
Travel expense	(127,646)	(195,618)	(55,637)
Occupancy expense	(17,493)	(28,667)	(11,172)
Impairment/write off of deferred exploration costs	(284,658)	(994,856)	(26,340)
Exchange losses	(424,883)	(82,020)	(150,431)
Other expenses	(44,766)	(256,407)	(50,618)
Loss on loss of control of subsidiary & discontinued operations	-	(128,878)	-
Loss before Tax	(2,069,864)	(3,775,743)	(1,052,075)
Tax	-	-	-
Loss for the period	(2,069,864)	(3,775,743)	(1,052,075)
Other comprehensive income:			
Exchange differences on translation of foreign operations	(122,138)	231,265	110,756
Total comprehensive income for the period	(2,192,002)	(3,544,478)	(941,319)
	Pence	Pence	Pence
Loss per share – basic and diluted	(1.1)	(2.6)	(0.8)

Mariana Resources Limited and its controlled entities.

Condensed Consolidated Statement of Financial Position as at 30 June 2011

	30 June 2011 Unaudited £	31 December 2010 Audited £	30 June 2010 Unaudited £
NON-CURRENT ASSETS			
Deferred exploration costs	7,718,296	4,806,544	4,237,527
Property, plant and equipment	796,744	700,728	158,486
Investment in jointly controlled entity	1,189,872	948,277	-
Other	1,690	39,306	-
Total non-current assets	<u>9,706,602</u>	<u>6,494,855</u>	<u>4,396,013</u>
CURRENT ASSETS			
Other receivables and pre-payments	1,757,204	1,024,112	6,268,133
Cash and cash equivalents	5,455,885	11,174,586	3,321,619
Total current assets	<u>7,213,089</u>	<u>12,198,698</u>	<u>9,589,752</u>
CURRENT LIABILITIES			
Trade and other payables	407,220	582,771	1,558,580
Provisions	102,939	63,887	55,572
Total current liabilities	<u>510,159</u>	<u>646,658</u>	<u>1,614,152</u>
NET CURRENT ASSETS	<u>6,702,931</u>	<u>11,552,040</u>	<u>7,975,600</u>
NET ASSETS	<u>16,409,532</u>	<u>18,046,895</u>	<u>12,371,613</u>
EQUITY			
Issued share capital	18,150	17,923	15,869
Share premium account	25,544,891	25,285,098	17,611,595
Other reserves	2,053,488	1,881,007	1,157,614
Accumulated losses	(11,206,997)	(9,137,133)	(6,413,465)
TOTAL EQUITY	<u>16,409,532</u>	<u>18,046,895</u>	<u>12,371,613</u>

Mariana Resources Limited and its controlled entities.

Condensed Consolidated Statement of Changes in Equity for the six-months ended 30 June 2011

	Share Capital £	Share premium £	Share based payments reserve £	Foreign currency translation reserve £	Accumulated loss £	Total £
Balance at 1 July 2009	10,450	7,453,055	363,704	79,864	(4,458,985)	3,448,088
Issue of shares	2,373	2,963,792	-	-	-	2,966,165
Share based payment options	-	-	156,600	-	-	156,600
Loss for the period	-	-	-	-	(902,405)	(902,405)
Exchange differences on translating foreign operations	-	-	-	206,346	-	206,346
Balance at 31 December 2009	12,823	10,416,847	520,304	286,210	(5,361,390)	5,874,794
Balance at 1 January 2010	12,823	10,416,847	520,304	286,210	(5,361,390)	5,874,794
Issue of shares	3,046	7,194,748	-	-	-	7,197,794
Share based payment options	-	-	240,344	-	-	240,344
Loss for the period	-	-	-	-	(1,052,075)	(1,052,075)
Exchange differences on translating foreign operations	-	-	-	110,756	-	110,756
Balance at 30 June 2010	15,869	17,611,595	760,648	396,966	(6,413,465)	12,371,613
Balance at 1 July 2010	15,869	17,611,595	760,648	396,966	(6,413,465)	12,371,613
Issue of shares	2,054	7,673,503	-	-	-	7,675,557
Share based payment options	-	-	602,884	-	-	602,884
Loss for the period	-	-	-	-	(2,723,668)	(2,723,668)
Exchange differences on translating foreign operations	-	-	-	120,509	-	120,509
Balance at 31 December 2010	17,923	25,285,098	1,363,532	517,475	(9,137,133)	18,046,895
Balance at 1 January 2011	17,923	25,285,098	1,363,532	517,475	(9,137,133)	18,046,895
Issue of shares	227	259,793	-	-	-	260,020
Share based payment options	-	-	294,619	-	-	294,619
Loss for the period	-	-	-	-	(2,069,864)	(2,069,864)
Exchange differences on translating foreign operations	-	-	-	(122,138)	-	(122,138)
Balance at 30 June 2011	18,150	25,544,891	1,658,151	395,337	(11,206,997)	16,409,532

Mariana Resources Limited and its controlled entities.

Condensed Consolidated Statement of Cash Flows for the six-months ended 30 June 2011

	Half-year 30 June 2011	Full year 31 December 2010	Half-year 30 June 2010
	Unaudited £	Audited £	Unaudited £
Cash Flow from Operating Activities			
Payments to suppliers & employees	(1,553,527)	(2,769,613)	(1,123,101)
Interest received	18,136	56,744	70
Net Cash Used in Operating Activities	(1,535,391)	(2,712,869)	(1,123,031)
Cash Flow from Investing Activities			
Payments for purchase of property, plant & equipment	(151,495)	(642,613)	(69,158)
Payments for exploration expenditure	(4,098,546)	(3,241,008)	(1,089,157)
Proceeds from joint venture partner	-	-	894,230
Payments to joint venture partner	(241,596)	-	-
Net Cash Used in Investing Activities	(4,491,637)	(3,883,621)	(264,085)
Cash Flow from Financing Activities			
Proceeds from issue of share capital (net of issue costs)	260,021	14,873,350	2,132,006
Net Cash Flow from Financing Activities	260,021	14,873,350	2,132,006
Net increase/(decrease) in cash and cash equivalents	(5,767,007)	8,276,860	744,890
Effect of exchange rate fluctuations on cash held	48,306	320,997	-
Cash and cash equivalents at the beginning of the period.	11,174,586	2,576,729	2,576,729
Cash and cash equivalents at the end of the period	5,455,885	11,174,586	3,321,619

Mariana Resources Limited and its controlled entities.

Notes to the Condensed Consolidated Financial Statements for the six-months ended 30 June 2011

NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES

These condensed interim financial statements are for the period 1 January 2011 to 30 June 2011.

The financial reports for the half-year ended 30 June 2010 and six-months ended 30 June 2011 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 financial report is in compliance with International Accounting Standard (IAS) 34: Interim Financial Reporting.

(a) Basis of preparation of the financial report

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

(b) Basis of consolidation

(i) Subsidiaries

The condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

(ii) Transactions eliminated on consolidation

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(iii) Business combinations

For business combinations occurring since 1 January 2010, the requirements of IFRS 3R have been applied. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Notes to the Condensed Consolidated Financial Statements for the six-months ended 30 June 2011(continued)

NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES (continued)

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at the acquisition date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition date fair value of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

(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 six-months, basic earnings per share and diluted earnings per share are the same.

NOTE 2 SEGMENT INFORMATION

Management identifies the group as having three operating segments Argentina, Chile and the Head Office functions provided to the group from Guernsey and Australia. These operating segments are monitored and strategic decisions are made on this basis by the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

NOTE 3 ISSUED CAPITAL

The total number of ordinary shares of .01 pence on issue at 30 June 2011 was 181,502,930 (31 December 2010: 179,235,930). Movements in issued shares during the six-months were:

Issued shares at 31 December 2010	179,235,930
Issued during the half year following exercise of options	<u>2,267,000</u>
Issued shares at 30 June 2011	<u>181,502,930</u>

Notes to the Condensed Consolidated Financial Statements for the six -months ended 30 June 2011(continued)

NOTE 4 OPTIONS

At 30 June 2011 the company had 14,848,000 options on issue (30 June 2010: 10,386,291), each of which entitles the holder to receive on exercise, one ordinary share in the company. Movements in options during the period:

Outstanding at 30 June 2010.	10,386,291
Issued during the half year	5,220,000
Exercised, expired or cancelled during the half year	(1,156,291)
Outstanding at 31 December 2010	14,450,000
Issued during the half year	2,665,000
Exercised, expired or cancelled during the half year	(2,267,000)
Outstanding at 30 June 2011	14,848,000

NOTE 5 RELATED PARTY TRANSACTIONS

During the period the Company has issued 2,267,000 ordinary shares to raise a total of £260,020 as a result of option holders exercising options.

During the period the Company has issued a total of 2,665,000 options at 60p, with an expiry date of 1st February 2015.

The following transactions were entered into with related parties of the Chairman during the half year:

- R Horsburgh – services related to publicity and investor relations £9,219.67
- Scopemedia – services related to website maintenance £2,279.61

Purchases from related parties are made at arm's length transactions both at normal market rates and normal commercial terms.

NOTE 6 DEFERRED EXPLORATION AND EVALUATION

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written-off as incurred.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical and administrative overheads. Deferred exploration costs are carried at historical cost less any impairment losses recognised.

Upon demonstration of the technical and commercial feasibility of a project, any past deferred exploration and evaluation costs related to that project will be reclassified as Mine Development and Infrastructure.

Mariana Resources Limited and its controlled entities.

Notes to the Condensed Consolidated Financial Statements for the six -months ended 30 June 2011(continued)

NOTE 6 DEFERRED EXPLORATION AND EVALUATION (continued)

Capitalised deferred exploration expenditures are reviewed for impairment losses at each reporting date. In the case of undeveloped properties, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Group's intentions for development of the undeveloped property.

NOTE 7 POST BALANCE SHEET DATE EVENTS

The Company has been granted an option to earn a 100% interest in the 5,600ha Jiguata property located in Region I in Northern Chile, exercisable by 1 December 2014, and is required to make scheduled contracted payments. Further details available on the Company website.

Mr Christopher Mitchell was appointed as a Non-executive Director to the Board on 22 July 2011.

For news releases go to the company's web site at www.marianaresources.com

Signed by authority of the Board.

J. R. Horsburgh *Chairman*
G.W. Parsons *Director- CFO*

15th August 2011