



MARIANA RESOURCES LIMITED

(Incorporated in Guernsey, Registered No. 44276)

Management Discussion and Analysis for the Quarter ending 30 September 2011

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) for Mariana Resources Limited (“Mariana”, “Group” or the “Company”) is prepared as of November 14, 2011. This MD&A should be read in conjunction with the Company’s condensed consolidated unaudited interim financial statements and the notes thereto for the nine months ending September 30, 2011. The statements were prepared in accordance with International Financial Reporting Standards (“IFRS”). This is the second financial period that is being reported by Mariana as a reporting issuer under Canadian securities legislation and therefore comparisons of results are against the latest audited consolidated financial statements for the year ended December 31, 2010 and reflect activities for a nine month period for completeness. Quarterly statements from September 30, 2010 have been included for information purposes.

All financial information in this MD&A is presented in UK pounds, unless otherwise stated.

Mariana’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol “MRY” (listing commenced the 17 June 2011) as well as the AIM market of the London Stock Exchange under the symbol “MARL”.

Additional information can be found on the Company’s website www.marianaresources.com, in the Company’s AIF, filed with the Canadian regulators and available on SEDAR at www.sedar.com.

Cautionary Statement on Forward-Looking Information

This MD&A contains “forward-looking information” and “forward looking statements” (together, the “forward-looking statements”) within the meaning of applicable securities laws and the United States Private Securities Litigation Reform Act of 1995, as amended, including the Company’s belief as to the timing of its drilling, exploration programs and exploration results and completion of various studies. These forward-looking statements appear in a number of different places in this document and can be identified by words and phrases such as, but not limited to, “estimates”, “plans”, “is expected”, or variations of such words or phrases, or statements that certain activities, events or results “may”, “would” or “could” occur. While the Company has based these forward-looking statements on its expectations about future events as at the date that this document was prepared, the statements are not a guarantee of the Company’s future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The Company’s forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and do not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions should change except as required by law. Such factors and assumptions include, amongst others, the

effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, misjudgements in the course of preparing forward-looking statements, fluctuations in gold, silver and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals and other risks and uncertainties disclosed under "Risks" below and other information released by Mariana and filed with the appropriate regulatory agencies. Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. For the reasons set forth above, readers should not place undue reliance on forward-looking statements. All statements are made as of the date of this MD&A and the Company is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

THIRD QUARTER 2011 HIGHLIGHTS FROM OPERATIONS AND DEVELOPMENTS REPORTED TO DATE
(Details of these highlights below are available on the Company's website at www.marianaresources.com)

- On 2 November 2011, Mariana announced positive results from the first 28 holes of the recently completed Phase IV 47 hole - 6,181m drill programme at its Las Calandrias gold-silver project ('Las Calandrias') in Santa Cruz province, southern Argentina. Prospectivity of Las Calandrias increased significantly with scout drilling of new target areas, mostly in volcanics outside of the Calandria Sur resource area with new targets explored - La Picasa, Loma Verde, Vieja Hearnadura and El Clavo, extensive mineralised system controlled by NE and NW structures, favourable host rocks and subsurface rhyolite domes. Best intersections from latest drilling include – 40 metres ("m") @ 1.0 grams per tonne gold ("g/t Au") from 8m, including 1m @ 10.8 g/t Au - CSD273 and 22.8m @ 1.1 gold equivalent ("AuEq")* (0.6 g/t Au & 30 g/t silver ("Ag")) from 26m– CSD286. The Calandria Sur mineralised 'footprint' now extends over circa 800m by 350m-500m with intersections located up to 300m to the east and 120m to the north of the initial resource area at Calandria Sur whilst the mineralised zone remains open in several directions and further drilling is required to test continuity and resource potential.
- On 13 October 2011, Mariana had moved the drill rig from Las Calandrias having completed the first phase to commence the fourth drilling programme at the 70% owned Sierra Blanca Gold-Silver Project ('Sierra Blanca'). Sierra Blanca is located in the centre of the Deseado Massif gold-silver province. The programme comprises a minimum of 5,000 metres of diamond drilling aimed at targets derived from earlier drilling at Veta Chala and recently completed Induced Polarisation (IP) geophysics.
- On 25 August 2011, Mariana filed the NI43-101 Technical Report on the Las Calandrias resource estimate as compiled by Mine Development Associates ('MDA'), Reno, Nevada. MDA concludes in the Technical Report that: *"The Las Calandrias property is an advanced-stage exploration property with a discovery of significant gold-silver mineralization and two defined resources of gold and silver whose classification is Indicated and Inferred. From a review of the data and field examination, it is concluded that Mariana has performed technical work that meets or exceeds industry standards. Continued exploration is particularly warranted at Las Calandrias because of the existing resources and newly discovered mineralization in the country rock outside the rhyolite dome host rocks at Calandria Sur."*
- On 23 August 2011, Mariana commenced the fourth drilling campaign at its Las Calandrias Gold Silver project. The programme is dual staged to allow for interpretation of results and follow up targeting. The initial stage is anticipated to be a minimum of 5,000m with the total meterage to be at least 10,000m. The objective is test seven new target areas outside the outlines of the initial resource estimate at Las Calandrias announced on the 11 July 2011.
- On 3 August 2011, Mariana reported drilling results from the Sierra Blanca project, also in Santa Cruz, along the 1.1 kilometre ("km") Chala-Achen vein system where wide intervals of gold-silver mineralisation, with high grade zones at Chala Central and Achen were discovered. Intersection included 30.1m @ 2.2 g/t Au and 101 g/t Ag (3.9 g/t AuEq) from 23.0m, including 2.1m @ 15.9 g/t Au and 38 g/t Ag (16.5 g/t AuEq) from 41m in CHD84.

Sierra Blanca is adjacent to Argentex's Pinguino project. These results advance Sierra Blanca to the status of advanced exploration.

- On 14 and 26 July 2011, Mariana reported high grade gold intercepts and extensions at both Calandria Norte and Calandria Sur opening up a number of new drill targets for testing in the next campaign.
- On 19 July 2011, Mariana reported an option to acquire 100% of a gold-silver epithermal project called Jiguata in Northern Chile. The acquisition is in line with Mariana's strategy of exploration property acquisition in its 100% owned subsidiary outside of the Cliffs' joint venture area.
- On 11 July 2011, Mariana reported a gold equivalent ("AuEq") Initial Resource for its flagship Las Calandrias project in Santa Cruz province, Argentina - (AuEq 491,000 oz Indicated and 28,000 oz Inferred) with the initial Indicated resource estimate for a combined Calandria Sur and La Calandria being 11,840,000 tonnes @ 1.00 g/t Au and 17.4 g/t Ag and the initial Inferred resource estimate for a combined Calandria Sur and La Calandria being 870,000 tonnes @ 0.93 g/t Au and 5.17 g/t Ag. This half million ounce AuEq resource now underpins the value of Mariana and forms the basis of growth for the Company.
- Cash on hand at the end of September 2011 was £3.95 million (US\$6.2 million).

DESCRIPTION OF BUSINESS

Mariana is an AIM and TSX listed exploration and development company with an extensive portfolio of gold, silver and copper projects in Argentina and Chile. Mariana's flagship Las Calandrias gold-silver discovery in southern Argentina now has a reported initial resource estimate of-AuEq* 491,000 oz Indicated and 28,000 oz Inferred. with the initial Indicated resource estimate for a combined Calandria Sur and La Calandria being 11,840,000 tonnes @ 1.00 g/t Au and 17.4 g/t Ag and the initial Inferred resource estimate for a combined Calandria Sur and La Calandria being 870,000 tonnes @ 0.93 g/t Au and 5.17 g/t Ag. In addition, further to the west, the Company has the Sierra Blanca silver-gold prospect (70%), the Los Amigos joint venture (49%) with Hochschild Mining and a land package (100%) covering 160,000 hectare ("Ha") in the country. All of these projects are located in the Deseado Massif epithermal gold-silver district in the mining-friendly Santa Cruz province of southern Argentina, which hosts four mines and several advanced projects. The Company's principal asset is its 100% interest in the gold-silver Las Calandrias property in Santa Cruz, Argentina (the "Las Calandrias Project") and the 70% advancing gold silver project Sierra Blanca, which is showing signs of potentially offering more interesting grades and scale. Mariana has the option to acquire the balance of the 30% interest in the Sierra Blanca project from IAMGOLD.

In Chile, Mariana has a joint venture with US based international mining and natural resources company Cliffs Natural Resources Inc., to explore for iron oxide-copper-gold deposits ('IOCG') in a 92,000 km² area ("SCM Mariana Area") in north-central Chile along the highly prospective Atacama Fault Zone. The SCM Mariana Area includes the 44km² Buenaventura and 46km² Perro Chico IOCG projects. Mariana is also evaluating a number of gold-silver and copper-gold opportunities away from the Cliffs JV area, as part of a new initiative. The Company has acquired an option to earn up to a 100% interest in 5,600 ha in the Jiguata Gold Silver Project in Northern Chile. Details are available on the Company's website.

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

REPORT ON OPERATIONS

Mariana's objectives are continually being met as reflected in the highlights above. Mariana remains focussed on expanding the mineral resource and discovering new targets at the key project Las Calandrias and, advancing Sierra Blanca and its other properties. The financial summary of results for the nine month period and the following selected financial information are taken from the interim financial statements and are discussed below:

SUMMARY OF FINANCIAL RESULTS (all in UK £'000s)

The following is a summary of quarterly results taken from the Company's unaudited consolidated financial statements for the periods indicated.

Third Quarter 2011 comparison to Third Quarter 2010 Income Statement

	Period ended 30 September 2011	Period ended 30 September 2010
Revenue	(39)	(46)
Employee and Director benefits expense	984	984
Depreciation	65	20
Professional fees	370	289
Impairment and Exploration write offs	356	46
Marketing expenses	99	48
Travel expenses	180	105
Administrative Expenses	171	79
Occupancy Expenses	25	19
Other Expenses	121	167
Exchange (gains)/losses	475	2 46
Net loss for the Period	<u>2,807</u>	<u>1,957</u>

Mariana's has incurred a loss for the nine months to September 2011 of £2.8m, higher than the September 2010 loss by £0.9m. The increase if one removes the Impairment and Exploration write offs and Exchange Loss, is predominantly due to the Company increasing its exploration activity considerably over that period, as well as the undertaking of a dual listing on the Toronto Stock Exchange in the second quarter of 2011. With this dual listing decision, an increased marketing effort was embarked upon during the period in preparation for the listing, as well as the concomitant administrative, legal and travel costs with the increased activity.

Major contributing items to the increase in expenditures are discussed in more detail below.

Depreciation expense increased commensurately with the additions to property, plant and equipment from the comparative period.

Professional services increased as a function of the Canadian listing application process, the associated legal fees and the required listing fees paid to the TSX.

Impairment and exploration write-offs are due to the increased level of exploration work done mainly in Chile, as well as other potential prospective areas where project evaluation work was high. Any costs incurred not attributable to a specific property acquisition are written off, unless a property is acquired and then costs are capitalised.

Travel has increased in line with additional marketing efforts related to the TSX listing and the costs associated with the listing process.

Administrative expenditures increased from the comparative period, largely due to bank charges and regulatory stamp duty costs incurred with an increase in funds remitted to Argentina as a result of increased levels of exploration activity.

Other expenses have decreased as a result of a reduction in general office and related support function requirements, and savings identified in general expenditure items.

The Exchange difference is due to the loan accounts of the subsidiaries being revalued with the US\$ depreciation being the major contributing factor.

Extract from Balance Sheet as at 30 September 2011- NON-CURRENT ASSETS in UK £000's

	30 September 2011 Unaudited £	30 September 2010 Unaudited £
Deferred exploration costs	9,059	5,252
Property, plant and equipment	806	390
Investment in jointly controlled entity	1,357	-
Other	1	-
Total non-current assets	<u>11,223</u>	<u>5,642</u>

The expenditures capitalised on the Company's mineral projects from September 2010 to September 2011 have increased considerably as Mariana advanced its flagship Las Calandrias Project to resource and new exploration drilling and the commencement of its drilling program at its Sierra Blanca Project. Mariana has continued to make payments to its joint venture partner to fund continued activities at selected projects in Chile, this being after careful consideration as to the use of funds and the underlying value to Mariana.

Third Quarter 2011 comparison to Second Quarter 2011 Income Statement

The following selected financial information is taken from the Company's unaudited consolidated financial statements for the periods indicated.

	3 months ended 30 September 2011	3 months ended 30 June 2011
Revenue	(21)	(10)
Employee and Director benefits expense	318	294
Depreciation	25	20
Professional fees	89	164
Impairment and Exploration write offs	72	215
Marketing expenses	38	43
Travel expenses	52	46
Administrative Expenses	27	68
Occupancy Expenses	8	10
Other Expenses	78	27
Exchange (gains)/losses	51	55
Net loss for the Period	737	932

Third quarter expenditure is down on that of the second quarter as a result of significant once off costs being incurred in the second quarter associated with the Company's Canadian listing. The increase in director and employee expenses is as a result of a new director appointed in July 2011 and a junior administration staff member. Exploration costs written off have decreased this quarter as project generation outside of Chile and Argentina has ceased. Administrative expenses include transfer costs incurred on cash transfers to subsidiaries and fluctuate with the value of cash being transferred. The value of the cash transfers to subsidiaries has decreased in the current quarter as drilling programs wound down over the winter months. The increase in other expenses is due predominantly to stamp duty being incurred on a new intercompany loan agreement between the holding company and its subsidiary in Argentina.

Quarterly Comparison to Prior Quarterly Periods

The following selected financial information is taken from the Company's unaudited interim consolidated financial statements or from the Company's audited December 31, 2010 financial statements.

	QE 3 September 30, 2011	QE 2 June 30, 2011	QE 1 March 31, 2011	QE 4 December 31, 2010	QE 3 September 30, 2010
Net Loss Before taxation	737	932	1,137	1,689	905
Loss per Share-Basic	0.40	0.52	0.63	0.77	0.58
Weighted Number of shares for each Quarter	181,502,930	181,502,930	181,502,930	179,235,930	158,478,763

Mariana became a reporting issuer under Canadian securities legislation on the 17 June 2011. Until such time the Company was not required to prepare quarterly interim financial statements. For completeness, quarter on quarter comparison for the last five quarters above has been included in this discussion.

The movement in expenditure not attributable to capitalised projects has been relatively constant over the period, however for the fourth quarter ended December 31, 2010 there was a large increase in the net loss: besides the exchange difference loss, the main contributing factor was the large write-off of expenditure incurred in projects that were considered not to be viable or considered in excess of recorded value. The dropping of the La Borita project in Northern Argentina was the main contributor to this increase.

Liquidity and Capital Resources

At September 30, 2011, the Company had cash and cash equivalents of £3.95 million compared with £5.46 million at June 30, 2011. The Company's cash and cash equivalents are invested in highly liquid, low risk, interest-bearing investments with maturities of 180 days or less. The Company maintains deposit accounts in currencies of planned operations so as to act as hedge for anticipated expenditure. No forward exchange contracts have been acquired.

The Company has no loans or bank debt and there are no restrictions on the use of its cash resources. The Company has not issued any dividends and management does not expect this will change in the near future. Additional funds will be required in future to fund the ongoing exploration and planned development activities of the Company.

Contractual Obligations and Lease Commitments

Current committed lease commitments are in respect of office leases in Argentina and Australia. Option payments and payments on properties are contingent on exploration successes and can be cancelled at any time should this be warranted.

The lease commitments in £ 000's are as follows:

	2011 (balance of the year)	2012	2013
Total Office Leases	16	52	19

Financial Instruments

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange currency risk, liquidity and interest rate risk.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, marketable securities, loans and accounts payable and accrued liabilities. The carrying value of financial instruments, which include cash, accounts receivable, prepaid expenses, accounts payable, loans, and accrued liabilities approximate fair value because of the short-term maturity of those instruments.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk is managed by maintaining sufficient cash balances to meet current working capital requirements and access to lines of credit with certain banking institutions. The Company is an exploration company and in order to continue its programs funding is required to be raised. There is no guarantee that additional funding will be obtained. The Company's cash is invested in business accounts with high-credit quality financial institutions in Guernsey, Canada and Australia and are available on demand.

Credit risk

Credit risk is the risk that one party to a financial instrument, will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's credit risk is primarily attributable to its liquid financial assets and would arise from the non-performance by counterparties of contractual financial obligations. The Company limits its exposure to credit risk on liquid assets by maintaining its cash with high-credit quality financial institutions for which management believes the risk of loss to be minimal.

Currency risk

The Company operates in Guernsey, Australia, Argentina, and Chile and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in UK Pounds. Fluctuations of local currencies in relation to the UK Pound will have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company invests its cash in instruments with maturities of up to 180 days from the original date of investment, thereby reducing its exposure to interest rate fluctuations.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The following transactions were entered into with related parties of Chairman J. Horsburgh during the nine months ended September 30, 2011:

- R Horsburgh – services related to publicity and investor relations £13,058
- Scopemedia – services related to website maintenance £2,295

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

Significant Accounting Policies and Critical Accounting Estimates

The condensed consolidated interim financial statements do 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 during the interim reporting period. This financial report is in compliance with International Accounting Standard (IAS) 34: Interim Financial Reporting.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current market conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses.

The Company continues to follow the accounting policies described in the audited consolidated financial statements for the year ended December 31, 2010 that was filed on SEDAR upon listing on the TSX on June 17, 2011.

There have been no material changes to the critical accounting estimates discussed in the audited consolidated financial statements for the year ended December 31, 2010 that was filed on SEDAR.

Changes in Accounting Policies including Initial Adoption

The Company has not and does not expect to adopt any new accounting policies subsequent to the end of the most recently completed financial year. The Company also did not initially adopt any new accounting policies during the most recently completed financial year.

Outstanding Share Data

The Company is authorised to issue an unlimited number of Ordinary Shares, of which 181,559,930 are issued as at the date of this report. Each share entitles the holder to one vote. All shares of the Company rank equally as to dividends, voting powers and participation in assets upon a dissolution or winding up of the Company.

At the date of this MD&A, the Company also had 14,791,000 options issued and outstanding, of which 12,380,500 options were issued for the benefit of directors, employees and consultants of the Group under the Company's Share Option Plan. The balance of the options were issued to consultants and as agents compensation options.

Outlook

As an exploration company Mariana continually looks for funding options beneficial to the company, however over the past few months the equity markets have been particularly volatile. Mariana will continue to consider its options which will enable it to continue to identify new drilling targets and mineralised zones at Las Calandrias. The latest results, with intercepts outside the initial mineral resource limits, highlight the potential for both high grade gold mineralisation along the NW-SE

trending Calandria Sur boundary zone, within the Calandria Norte area and for extensions to bulk-tonnage mineralisation into the volcanoclastics. Surface mapping, trenching and LAG sampling are currently underway to define drill targets in the previously unexplored volcanoclastics. The intention is for drilling to resume at Las Calandrias in the New Year following the interpretation of results from the fourth drilling campaign and taking into consideration cash reserves. Mariana continues to evaluate the merits of its properties as well as those of its joint ventures to ensure appropriate allocation of funds.

Risks

The Company operates in the resource industry, which is highly speculative, and has certain inherent operating, development, exploration and financing risks which could have a negative effect on the Company's operations.

Significant risk factors for the Company include land title, environmental regulations and compliance, litigation, surface rights, health & safety, the ability to obtain additional financing, metal prices, Mineral Reserves and Resources estimates, insurance coverage, infrastructure, key management and staff, legal, climate considerations, changes in government policy, geopolitical climate, government, currency, economic, local community, geological, competition, and general business risk. For details of risk factors, please refer to the Company's Annual Information Form filed on SEDAR at www.sedar.com.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the accounting principles under which the Company's financial statements are prepared. As required under Multilateral Instrument 52-109, management advises that there have been no changes in the Company's internal control over financial reporting that occurred during the most recent interim period, being the three months ended September 30, 2011, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management Changes

During the third quarter ended September 30, 2011 no management changes have occurred.

Subsequent Events

On the 21st October 2011 members of the Mariana Resources Ltd. employee option plan exercised 57,000 options over shares in the company. The shares were issued at a price of 6 pence per share at exercise prices that were set at the time the options were issued. As a result of the above issue, the capital of the Company is 181,559,930 ordinary shares as at 14 November 2011.

Qualified Person

John Horsburgh, Chairman of Mariana, who is a Fellow of the Australasian Institute of Mining and Metallurgy has sufficient experience relevant to the style of mineralization and types of gold deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr. Horsburgh is a qualified person within the meaning of National Instrument 43-101 and is responsible for the technical disclosure in this MD&A.