ADRIANA
RESOURCES INC.

TSX-V: ADI

Frankfurt: A7R

2007 3rd Quarter Report

Nine Months Ended July 31, 2007

Management's Discussion and Analysis

This discussion and analysis of financial position and results of operations is prepared as at September 27, 2007 and should be read in conjunction with the unaudited consolidated financial statements for the nine months ended July 31, 2007 of Adriana Resources Inc. (the "Company") where necessary. Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Overview

The Company is engaged in the exploration and development of mineral properties in Canada, Brazil and Finland. The Company is currently listed on the TSX Ventures Exchange under the symbol "ADI" and the Frankfurt exchange under the symbol "A7R".

Iron Ore Port Development

Subsequent to July 31, 2007, the Company announced that it has entered into an option agreement to acquire three contiguous parcels of shoreline covering 857,575 square meters of land in Brazil for development of an iron ore port facility. The purchase was completed through a newly formed company, Brazore Holdings ("Brazore Holdings") with a wholly owned Brazilian subsidiary, Brazore Ltda. ("Brazore"). The Company is to fund Brazore's business plan in three tranches to maintain a 75% ownership in Brazore Holdings: (1) US $5 million by October 20, 2007, of which the Company has funded US $3.3 million to date, (2) US $18 million by November 29, 2007 and (3) a further US $33 million by August 20, 2009.

Brazore's business plan is to build and operate an iron ore mining and export business in Brazil through port development, shipping solutions, and the acquisition of third party mineral rights with the potential for large scale mineral resources. The subject land offers an ideal location for the potential construction of a shallow water transshipment facility capable of initially handling up to 5 million tonnes of iron ore per year and increasing to 18 million tonnes of iron ore per year. A series of shallow draught self-loading vessels known as "Lighters" can transport iron ore to a larger transshipment vessel permanently anchored offshore where iron ore can be systematically moved onto ocean going ships used in the iron ore sea-borne trade.

Mineral Property Interests

MIE Project (All Night Lake and McGregor Lake), Nunavut

The MIE Project draws its name from one of the world's largest continental-type magmatic events, the Mackenzie Igneous Event. This event generated an estimated 5 to 10 million cubic kilometers of magma. The center of this magmatic activity is located in Nunavut, Canada. The MIE project is comprised of two properties, McGregor Lake and All Night Lake, both located on the Muskox Intrusion. The Muskox Intrusion is the main target area and the largest known magma channel for the Mackenzie Igneous Event. This elongated intrusion is a subvolcanic chamber which acted as a magma conduit. The base of this type of magma chamber and its associated feeder dyke provide excellent locations to concentrate nickel, copper, and PGE mineralization.

Based on the project's geological similarities with world-class deposits and its verified metal enrichment, our independent consulting geologists and engineers, Watts, Griffis and McOuat Limited, recommended a two-phase exploration program on the MIE property. The first phase, which was completed in the 2006 summer field program, consisted of airborne geophysical surveys, SQUID PEM surveys, and data modeling. Information collected during the program allowed the company to identify conductive targets which have been modeled at the footwall contact of the Muskox Intrusion, adjacent to the interpreted feeder dyke. Occurrences of nickel, copper, and PGE have been historically sampled along both walls of the Muskox magma chamber, suggesting that metals have accumulated at the bottom of the chamber.

In April 2007, the Company began the second phase of the program based on the geological model developed in phase one. The program was designed to test the conductive targets and included up to 3,000 meters of diamond drilling and additional geophysical surveys. Two diamond drill holes were completed at the end of May 2007 totaling approximately 1,500 meters and initial analytical results were received in June 2007 from the lower portion of drill hole MC07-02. The initial results identified a fourteen meter zone intersection of disseminated magmatic sulphide mineralization within the Muskox Intrusion, thirty meters above the footwall contact with the country rocks. The zone includes a six metre interval with an average weighted grade of 0.47% Ni, 1.12% Cu, 1.46 g/tonne Pd, 0.13 g/tonne Pt and 0.13 g/tonne Au. Based on the preliminary information gathered from the first two drill-holes, the Company expanded the drill program on the MIE Project to include two more drill holes (four in total) drilled directly down-dip from MC07-02 for an additional 1,500 meters. The drilling of the additional two holes was completed in August, 2007 and the analytical results are pending.

Bear Valley Uranium Project and UNAD Uranium Joint Venture, Nunavut

The Company has acquired a significant land package in the Hornby Bay Basin area in Nunavut, Canada. The area represents an under-explored sedimentary basin with significant uranium potential. The Hornby Bay Basin shares many geological characteristics with the Athabasca and Thelon Basins. Based on the geological and geophysical data collected during 2005 and 2006, the Company identified two prospective targets, the Alpha Horizon within the All Night Lake property and the Tabb Lake prospect within the McGregor Lake property. The Alpha Horizon is a large stratabound conductive horizon that measures approximately sixteen by six kilometers, and is gently dipping to the north. The Tabb Lake prospect contains two structurally bounded, down dropped blocks of Hornby Bay sandstone within metamorphic Paleoproterozoic basement rocks. The basement rocks host high grade surface occurrences (0.067 to 4.803% U3O8) associated with graphitic zones in the basement rocks. The Tabb Lake Graben structure is approximately 2.5 kilometers long by 1.0 kilometer wide. It is located approximately 2-3 kilometers West of McGregor Lake.

The 2007 exploration phase was to include a 2,000 meter diamond drill program but due to the expansion of the MIE drill program, the Bear Valley drill program was largely deferred to 2008. The 2007 program included drilling one borehole (TB07-01) in the Tabb Lake area to a depth of 266 meters below ground surface. Samples from this borehole were sent to the SRC Laboratories in Saskatoon and the results are pending. Prospecting, sampling and mapping were also carried out during the 2007 summer field program.

Lac Otelnuk Iron Project, Northeastern Quebec

The Lac Otelnuk Project lies within the Labrador Trough, one of the largest iron ore belts in the world. The belt contains world-class iron deposits that have been continuously mined since 1954. The property was first explored in the early 1950s when a magnetite iron formation was mapped over a strike length of approximately 25 kilometers. Subsequent diamond drilling and surface sampling in the 1970s, which was largely limited to the upper iron formation unit, resulted in historic mineral resource estimates, by Watts, Griffis and McOuat Limited, of 1.77 billion tonnes grading 25% magnetic iron within the North and South zones. Magnetite occurs throughout this iron formation with the North and South zones largely uniform in grade and thickness. The Company believes that a multi-billion-ton iron deposit lies within a 45 kilometer stretch of iron formation contained within the property. A NI 43-101 report on the property recommends in-fill diamond drilling on the North and South Zones to bring the historic resource estimates to a NI 43-101 compliant resource and to test additional iron formation units.

In June 2007, exploration crews were mobilized and a fifteen man camp was completed in preparation for the summer drill program. The Company has contracted two drill rigs and crews to complete a proposed 5,000 metre diamond drill program. The program has since been reduced to 2,000 meters due to delay's in the commencement of drilling and early winter conditions. The Company's goal is to upgrade and increase historic resources to NI 43-101 compliant mineral resources, and to advance the project to the development stage.

Mustavaara Iron-Titanium-Vanadium Development Project, Finland

The Mustavaara development project, a former producing mine, is located in central Finland. The property consists of four exploration claims totaling 356 hectares in area, can be accessed by paved road, and contains a tailings dam and water reservoir on site. The current terminus for the railway is 40 kilometers south at Taivalkoski. The claims cover the Mustavaara mine and extensions of the magnetite horizon over a strike extent of nearly 5 kilometers. The 1,800 meter long open pit and extensions contain a NI 43-101 compliant, open pittable, measured resource of 30 million tonnes, grading 16.8% magnetite containing

0.91% vanadium. The deposit is open at depth and along strike. Watts, Griffis and McOuat Limited, a Toronto-based international consulting geological and engineering firm, with considerable experience and expertise in the evaluation of Iron-Titanium-Vanadium deposits completed the initial technical review of the property. This review was completed in October 2006 and prepared in accordance with NI 43-101 guidelines. The report can be viewed at www.sedar.com. The review focused on the evaluation of the historic mineral resource/reserve estimates for the Mustavaara mine and the previous operating parameters and saleable products. The main purpose of the review was to determine an appropriate work plan and budget to advance the project to a feasibility study. A bulk sampling program was carried out in September 2006 to determine the beneficiation and pyrometallurgical processes required to separate the iron, titanium, and vanadium into saleable commodities. The beneficiation phase is now complete and pyrometallurgical bench tests were completed by Outotec Oyj at their research facility in Finland. A 100 kilogram sample of the concentrate is now at SGS Minerals Services (Lakefield Research) and is undergoing hydrometallurgical tests.

In July 2007, the Company commenced a scoping study on the Mustavaara property in Finland. Behre Dolbear International Ltd., one of the oldest, continually operating, mineral industry consulting firms in the world, has been contracted to complete the scoping study. The scoping study will consist of further review of the mineral resources, future mine development, beneficiation, subsequent metallurgical processing and transportation of the ore, waste disposal, infrastructure, product disposal, manpower, sustainability, marketing and viability of the mineral resource. The final results of the scoping study are expected to be delivered in early October and will be used to plan the next phase toward feasibility.

Results of Operations

Results of Operations for the three months ended July 31, 2007 and 2006

Expenses

Total operating expenses were $436,112 for the three months ended July 31, 2007, compared to $343,760 for the three months ended July 31, 2006, for an increase of $92,352. The Company's expenses increased in most cost categories between the quarters as a result of the increased activity of the Company as it advanced its business plan.

During the current quarter, the Company focused its efforts on managing the 2007 work programs and performed due diligence on potential property acquisitions. As a result, the Company recorded property investigations costs of $53,836 as compared to $23,373 in the prior period. The costs were for the review of properties of merit and the expenses consisted primarily of professional and technical fees. The Company recorded $78,732 in investor relations expenses for the three months ended July 31, 2007 as compared to $10,613 in the comparative period. The expenses relate to the Company's internal and external investor relations services for shareholder awareness.

Net Income/Loss

The Company recorded net income of $325,357 for the three months ended July 31, 2007, compared with a net loss of $339,836 in the prior period. Excluding the future income tax recovery of $686,700 related to flow through funding, the net loss during the three months ended July 31, 2007 would have been $361,343.

Results of Operations for the nine months ended July 31, 2007 and 2006

Expenses

Total operating expenses were $1,645,009 for the nine months ended July 31, 2007, compared to $991,755 for the nine months ended July 31, 2006, for an increase of $653,254. The Company's salaries and wages increased to $430,113 during the current nine month period as compared to $218,238 in the prior period. The increase was a result of the hiring of additional personnel and executives drawing a salary in the current period as compared to the prior period when the Company was still building its management team.

The Company recorded travel costs of $100,175 for capital raising efforts and corporate travel as compared to $49,829 in the prior period. The Company recorded $73,942 in conference expenses for the nine months ended July 31, 2007 as compared to $46,625 in the comparative period. The expenses relate to the Company's participation in various trade show conferences for retail investors and industry suppliers.

Net Loss

The Company recorded a net loss of $500,836 for the nine months ended July 31, 2007, compared with a net loss of $984,680 in the prior period. Excluding the future income tax recovery of $1,025,850 related to flow through funding, the net loss during the six months ended July 31, 2007 would have been $1,526,686.

Summary of Quarterly Results

	July 31 2007 $	*Apr 30 2007 $*	*Jan 31 2007 $*	*Oct 31 2006 $*	*July 31 2006 $*	*April 30 2006 $*	*Jan 31 2006 $*	*Oct 31 2005 $*
Total revenues	–	–	–	–	–	–	–	–
Net income (loss)	325,357	(337,455)	(488,738)	(251,799)	(339,836)	(370,319)	(274,525)	(160,163)
Net income (loss) per share – basic and diluted	0.01	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	(0.01)	(0.02)

The Company's expenses and net loss have increased on average over the last eight quarters due to the Company's aggressive expansion plans as it advances it business plan of exploring and developing its mineral projects. During the quarters ended July 31, 2007 and April 30, 2007, the Company recorded future income tax recoveries of $686,700 and $339,150, respectively.

Liquidity

The Company's cash and short term investments increased to $604,673 and $3,249,549, respectively, at July 31, 2007 from $15,750 and $1,015,000 at October 31, 2006. The Company's working capital was $4,515,137 as at July 31, 2007, compared to working capital of $662,527 as at October 31, 2006. The improvement in working capital was a result of closing four private placements during the period and the exercise of existing warrants for net proceeds of $9,373,170.

During the nine months ended July 31, 2007, the Company used $4,156,401 of its cash on exploration and development of its mineral properties compared to $976,541 in the prior period.

Capital Resources

As at the date of this MD&A, the Company has no other arrangement for sources of financing. Subsequent to the quarter ended July 31, 2007, the Company arranged, subject to regulatory approval, a non-brokered private placement for gross proceeds of $2,500,000. The private placement consists of 2,272,727 common shares priced at $1.10 per share. No warrants will be issued and no finders' fee will be paid in connection with the private placement.

To keep the Company's mineral claims in good standing, the Company is required to make cash payments and fulfill work program expenditures. The Company believes it has adequate working capital to fund its minimum operations over the next twelve months. The Company has no long term debt but does have office lease and office equipment obligations as disclosed in its consolidated financial statements.

Transactions with Related Parties

During the nine months ended July 31, 2007, the Company paid or accrued $40,953 (2006 – $46,775) in geological consulting fees to directors of the Company and to companies controlled by directors of the Company. In addition, during the nine months ended July 31, 2007, the Company received rent reimbursement of $21,000 (2006 – $nil) from a company with common officers and directors for use of office space and administrative services.

Disclosure of Outstanding Share Data

The following details the share capital structure as of the date of this MD&A.

	Expiry Date	*Exercise Price*	*Number*	*Total Number*
Common shares				35,510,417
Share purchase options	August 11, 2010	0.35	1,200,000	
	October 24, 2010	0.41	50,000	
	March 1, 2008	1.50	100,000	
	September 1, 2008	0.70	100,000	
	October 10, 2011	0.70	200,000	
	January 11, 2012	0.90	845,000	
	February 8, 2012	1.15	50,000	
	March 4, 2012	1.12	100,000	
	March 20, 2012	1.36	110,000	
	September 16, 2012	1.10	450,000	3,205,000
Warrants	May 24, 2008	1.75	1,085,225	
	June 16, 2008	1.10	190,909	1,276,134

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material respects with regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company has incurred losses since its inception and will not achieve profitability until such time as one of its projects, assuming a favourable feasibility study, can be developed into a profitable operation.

Cautionary Statement

This MD&A may contain “forward looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, ”expect”, ”anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, unfavourable studies regarding the Company’s Projects, fluctuations in the market valuation for metal prices, difficulties in obtaining required approvals for the development of a mine and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

July 31, 2007

The accompanying unaudited interim consolidated financial statements of Adriana Resources Inc. for the nine months ended July 31, 2007 have been prepared by management and approved by the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditor.

Interim Consolidated Balance Sheets

(unaudited - Prepared by Management)

	July 31, 2007 $	October 31, 2006 $
ASSETS		
Current assets		
Cash	604,673	15,750
Restricted cash (note 7(a))	50,000	50,000
Short-term investments (note 9)	3,249,549	1,015,000
Other receivables and tax credits	218,420	57,335
Prepaid expenses and advances on contracts	1,010,530	57,658
	5,133,172	1,195,743
Equipment (note 3)	158,948	111,746
Mineral properties (note 4)	8,211,625	3,125,687
	13,503,745	4,433,176
Liabilities		
Current liabilities		
Accounts payable	618,035	533,216
	618,035	533,216
Future income tax liability (note 5(b))	330,750	–
	948,785	533,216
Shareholders' Equity		
Share capital (note 5(b))	38,616,708	29,652,994
Contributed surplus (note 5(e))	987,943	795,821
Deficit	(27,049,691)	(26,548,855)
	12,554,960	3,899,960
	13,503,745	4,433,176

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Directors:

Director

Director

Interim Consolidated Statements of Operations and Deficit

(unaudited - Prepared by Management)

	Three months ended July 31,		Nine months ended July 31,	
	2007	*2006*	*2007*	*2006*
	$	*$*	*$*	*$*
Administrative expenses				
Amortization	12,516	5,217	34,906	10,766
Bank charges and interest	2,425	6,164	7,586	12,478
Conferences	19,227	36,898	73,942	46,625
Consulting fees	21,580	15,062	73,325	104,344
Investor relations	78,732	10,613	242,978	109,230
Professional fees	9,561	26,395	159,528	75,779
Property investigation	53,836	23,373	270,384	52,257
Rent and office expenses	42,011	62,401	144,526	162,750
Salaries and wages	158,283	68,855	430,113	218,238
Shareholder relations	17,600	38,649	71,916	102,298
Transfer agent and filing fees	10,920	7,525	35,630	47,161
Travel	9,421	42,608	100,175	49,829
Loss before other income and income tax	(436,112)	(343,760)	(1,645,009)	(991,755)
Other income				
Interest income	74,769	3,924	118,323	7,075
Future income tax recovery	686,700	–	1,025,850	–
	761,469	3,924	1,144,173	7,075
Net Income (loss) and comprehensive income (loss) for the period	325,357	(339,836)	(500,836)	(984,680)
Deficit, beginning of period	(27,375,048)	(25,957,220)	(26,548,855)	(25,312,376)
Deficit, end of period	(27,049,691)	(26,957,056)	(27,049,691)	(26,297,056)
Income (Loss) per share	0.01	(0.02)	(0.02)	(0.05)
Weighted average number of shares outstanding	34,217,355	21,761,710	31,375,049	21,305,650

The accompanying notes are an integral part of the consolidated financial statements.

Interim Consolidated Statements of Cash Flows

(unaudited - Prepared by Management)

	Three months ended July 31,		*Nine months ended July 31,*	
	2007	*2006*	*2007*	*2006*
	$	*$*	*$*	*$*
Cash provided by (used in)				
Operating activities				
Net income (loss) for the period	325,387	(339,836)	(500,836)	(984,680)
Items not involving cash				
Amortization	12,516	5,217	34,906	10,766
Stock based compensation	41,148	33,649	209,730	183,032
Future income tax recovery	(686,700)	–	(1,025,850)	–
Net change in non-cash working capital				
Other receivables	118,976	7,494	(161,085)	(7,253)
Accounts payable	(544,614)	(166,500)	40,343	98,337
Prepaid expenses and deposits	204,018	(94,965)	(952,872)	(85,263)
Net Cash used in operating activities	(529,269)	(554,941)	(2,355,664)	(785,061)
Investing activities				
Short-term investments	919,525	(1,690,000)	(2,234,549)	(1,820,000)
Mineral properties	(2,671,748)	(415,694)	(4,156,401)	(976,541)
Equipment	(9,587)	(32,575)	(82,108)	(49,552)
Net Cash used in investing activities	(1,761,810)	(2,138,269)	(6,473,058)	(2,846,093)
Financing activities				
Shares issued	2,775,000	2,925,700	9,373,170	3,681,874
Due to related party	26,260	(9,042)	44,475	(3,710)
Proceeds from shareholder loan	–	–	–	250,000
Repayment of shareholder loan	–	(250,000)	–	(265,500)
Net Cash provided by financing activities	2,801,260	2,666,658	9,417,645	3,662,664
Net increase in cash	510,181	(26,552)	588,923	31,510
Cash, beginning of period	94,492	261,983	15,750	203,921
Cash, end of period	604,673	235,431	604,673	235,431
Supplementary cash flow information				
Interest paid	–	5,000	–	5,000
Income taxes paid	–	–	–	–

The accompanying notes are an integral part of the consolidated financial statements

Notes to the Interim Consolidated Financial Statements

For the nine months ended July 31, 2007 and 2006

(unaudited – Prepared by Management)

1. Going Concern and Nature of Operations

Adriana Resources Inc. (the "Company") was incorporated under the laws of British Columbia and continued under the Canada Business Corporation Act. The Company's principal business activities include the acquisition, exploration and development of resource properties. The Company is currently listed on the TSX Venture Exchange.

These consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada for interim financial statements. The consolidated financial information herein is unaudited. Except for the changes in accounting policies described in Note 2, these interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements dated October 31, 2006. These interim consolidated financial statements should be read in conjunction with the company's October 31, 2006 audited annual consolidated financial statements.

As at July 31, 2007, the Company has no source of operating cash flows and has not yet achieved profitable operations, has accumulated losses since its inception, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. They include the accounts of the Company and its wholly owned subsidiaries, 5050 Nunavut Limited, Brazore Resources Inc. and Adriana Resources Mexico, SA De CV (inactive). All significant intercompany transactions and balances have been eliminated.

2. Changes in accounting Policy

Effective November 1, 2006, the Company has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Comprehensive Income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a consolidated statement of comprehensive loss and a new category, accumulated other comprehensive income, has been added to the shareholders' equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any. There were no such components to be recognized in comprehensive income for the nine month period ended July 31, 2007.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

3. Equipment

	Cost	*Accumulated Amortization*	*Nine months ended July 31, 2007 Net Book Value*	*Year ended October 31, 2006 Net Book Value*
	$	*$*	*$*	*$*
Computer equipment	113,027	31,403	81,624	56,210
Computer software	20,670	16,516	4,154	5,669
Office furniture and equipment	72,477	15,083	57,394	38,680
Leasehold improvements	19,205	3,429	15,776	11,187
	225,379	66,431	158,948	111,746

4. Mineral Properties

	MIE Property	*UNAD Property*	*Labrador Trough*	*Mustavaara*	*Total*
	$	*$*	*$*	*$*	*$*
Total as at October 31, 2005	573,856	–	90,860	–	664,716
Acquisition/maintenance	41,997	14,737	528,552	109,536	694,822
Camp and expediting	283,595	38,671	355,738	–	678,004
Equipment	57,472	4,903	5,214	–	67,589
Geochemistry/metallurgical	11,544	–	–	–	11,544
Geological	91,581	8,755	62,716	24,770	187,822
Geophysics	287,805	1,875	–	–	289,680
Permits	14,748	1,627	6,770	–	23,145
Professional/consultants	–	–	235,563	105,898	341,461
Project administration	539	73	11,554	–	12,166
Salaries and wages	41,181	5,441	–	–	46,622
Travel	29,147	3,406	50,327	25,236	108,116
Total as at October 31, 2006	1,433,465	79,488	1,347,294	265,440	3,125,687
Acquisition/maintenance	8,514	1,549	718,260	230,608	958,931
Camp and expediting	1,541,121	32,212	533,619	–	2,106,952
Drilling	511,311	–	37,939	–	549,250
Equipment	101,457	4,261	57,740	–	163,458
Geological	31,859	–	63,436	718	96,013
Geophysics	233,301	30,728	–	–	264,029
Geochemical/Metallurgical	35,306	–	–	323,854	359,160
Permits	344	–	2,600	–	2,944
Professional/consultants	20,385	–	84,263	167,985	272,633
Project administration	42,671	10,325	27,084	23,787	103,867
Salaries and wages	151,489	38,989	48,897	24,431	263,806
Travel	45,429	–	72,648	67,552	185,629
Less tax credits	–	–	(240,734)	–	(240,734)
Total as at July 31, 2007	4,156,652	197,552	2,753,046	1,104,375	8,211,625

4. Mineral Properties (continued)

MIE Property, Nunavut

All Night Lake/Bear Valley

In August 2005, through its acquisition of 5050 Nunavut Limited, the Company acquired 37 contiguous staked claims on Crown lands and two adjacent properties covered by Inuit Owned Lands Mineral Exploration Agreements. These properties are one contiguous block but are targeting two different commodities. To keep the Inuit Owned Lands Mineral Exploration Agreements in good standing, the Company must make cash payments and fulfill work commitments as follows:

	Annual Cash payment $	Annual work commitment $
2005 (paid)	19,711	8,844
2006 (paid)	39,622	78,844
2007-2009	39,622	197,110
2010-2014	49,278	354,798
Years 2015-2019	78,844	591,330
Years 2020-2024	78,844	788,440
	1,213,029	9,421,858

McGregor Lake

The Company has eleven claims on the Muskox Intrusion known as the McGregor Lake property.

UNAD Property, Nunavut

In August 2006, the Company entered into a joint venture agreement with UNOR Inc. (“UNOR”) to jointly explore for uranium on 28 claims held by the Company and fourteen claims held by UNOR. All the claims are located in the Hornby Bay Basin.

Labrador Trough, Northern Quebec

Otelnuk Lake Property

In November 2005, and amended on July 31, 2006 and November 23, 2006, the Company entered into an Option Agreement to earn a 100% interest in the Otelnuk Lake iron deposit located in northeastern Quebec. The property consists of 129 mining claims. Consideration for the option agreement includes a 2.5% net smelter royalty from the sale of any minerals mined, subject to minimum royalty advances of $150,000 by November 30th of each year to the commencement of production, and a combination of cash, shares and work commitments as follows:

	Option payments $	Minimum work commitments $	Common shares
On execution of the MOU (paid)	10,000	–	–
On exchange approval (paid and issued)	30,000	–	650,000
November 30, 2006 (issued)	–	–	650,000
December 31, 2006 (expended)	–	500,000	–
November 30, 2007	–	–	700,000
December 31, 2007	–	750,000	–
December 31, 2009	–	750,000	–
December 31, 2010	–	1,000,000	–
December 31, 2011	–	1,000,000	–
	40,000	4,000,000	2,000,000

4. Mineral Properties (continued)

During the nine months ended July 31, 2007, the Company and the property vendor agreed that the $150,000 advance royalty payment due November 30, 2006, would be paid by the issuance of 194,800 common shares of the Company.

The Company owns an additional 509 claims in and around Otelnuk Lake.

December Lake Property
The Company has 149 mineral claims for this property.

Mustavaara Property, Finland

In July 2006, the Company entered into in an option agreement to earn a 70% interest in the Mustavaara property located in Finland. The Agreement requires the Company issue 80,200 common shares (issued), expend €250,000 on the claims by June 30, 2007 (expended), and make further cash payments of €150,000 by June 30, 2007 (paid by issuance of 202,900 common shares), €200,000 by June 30, 2008 and €400,000 upon completion of a bankable feasibility study for total future cash payments of €750,000. At the company's election, the cash payments can be paid in common shares of Company at a conversion price equal to the average of ten trading days of the Company prior to the payment date. The Company can earn an additional 5% interest in the property by paying a 5% deemed net present value of the project within 90 days of receipt of the bankable feasibility study.

5. Share Capital

a) Authorized
Unlimited Class A common shares, without par value

b) Issued

	Nine months ended July 31, 2007		*Year ended October 31, 2006*	
	Shares #	*Amount $*	*Shares #*	*Amount $*
Common shares				
Balance, beginning of period	23,321,614	29,652,994	17,958,614	25,976,489
Private placements	10,686,605	9,634,500	2,993,580	2,741,945
Cost of financing	93,311	(640,633)	52,184	(205,372)
Shares issued on warrant exercises	343,887	336,710	1,407,236	701,565
Shares issued on option exercises	140,000	60,200	260,000	136,800
Shares issued for mineral property (note 4)	1,127,900	929,537	650,000	448,500
Less tax benefits renounced to subscribers	–	(1,356,600)	–	(146,933)
Balance, end of period	35,713,317	38,616,708	23,321,614	29,652,994

Private Placements

In November, 2006, the Company closed a non-brokered private placement for gross proceeds of $990,000. The private placements consisted of 1,100,000 flow through shares priced at $0.90 per share. No warrants were issued in connection with the financings and no finder's fees were paid.

In December, 2006, the Company closed a non-brokered private placement for gross proceeds of $3,000,000. The private placements consisted of 3,333,333 flow through shares priced at $0.90 per share. No warrants were issued in connection with the financings. Finder's fees of $151,630 were paid, of which $67,650 was paid in cash and $83,980 was paid by issuing 93,311 common shares at a price of $0.90 per share.

In January, 2007, the Company closed a non-brokered private placement for gross proceeds of $2,644,500. The private placements consisted of 3,526,000 non-flow through shares priced at $0.75 per share. No warrants were issued in connection with the financings. Finder's fees of $185,115 were paid in connection with the financings.

5. Share Capital (continued)

In June, 2007, the Company closed a non-brokered private placement for gross proceeds of $3,000,000. The private placement consisted of 2,727,272 common shares priced at $1.10 per share. No warrants were issued in connection with the private placement. Finders' fees of $210,000, and issued 190,909 broker warrants exercisable at $1.10 for a period of one year from closing.

Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized and share capital is reduced. During the nine months ended July 31, 2007, the Company recorded a future income tax liability of $1,356,600 related to the renunciations of the two flow through financings completed during the current period. If the Company has sufficient unused tax loss carry forward to offset all or part of this future income tax liability and no future income tax assets have been previously recognized for these carry forwards, a portion of such unrecognized losses is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures. During the nine months ended July 31, 2007, the Company recorded $1,025,850 as a future income tax recovery as a result of flow through eligible expenditures incurred during the period.

c) Warrants

The continuity of warrants is as follows:

	Number of common shares	*Weighted average exercise price $*
Balance, October 31, 2005	1,388,093	0.38
Issued	1,626,865	1.43
Exercised	(1,407,236)	(0.39)
Balance, October 31, 2006	1,607,722	1.44
Issued	190,909	1.10
Exercised	(343,887)	(0.80)
Expired	(178,610)	(0.80)
Balance, July 31, 2007	1,276,134	1.65

As at July 31, 2007, the following warrants were outstanding:

Number of Warrants	*Exercise Price*	*Expiry Date*
190,909	$1.10	June 16, 2008
1,085,225	$1.75	May 24, 2008

During the nine months ended July 31, 2007, under the fair-value-based method, $55,192 (2006 – $37,364) in compensation expense was recorded for the issuance of broker warrants in connection with private placements.

The fair value of broker warrants has been estimated using the Black-Scholes option pricing model with the following assumptions:

Nine months ended July 31,	*2007*	*2006*
Risk free interest rate	4.50%	3.50%
Expected dividend yield	–%	–%
Stock price volatility	117%	78%
Expected life of warrants	1 year	1.5 years
Fair value of warrants	$0.50	$0.18

5. Share Capital (continued)

d) Options

The continuity of options is as follows:

	Number of common shares	Weighted average exercise price $
Balance, October 31, 2005	1,675,000	$0.36
Granted	600,000	1.02
Exercised	(260,000)	(0.41)
Forfeited	(225,000)	(1.18)
Balance, October 31, 2006	1,790,000	$0.47
Granted	1,105,000	0.98
Exercised	(140,000)	(0.35)
Balance, July 31, 2007	2,755,000	$0.68

As at July 31, 2007, the following options were outstanding:

Number of Options	Exercise Price	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable
1,200,000	$0.35	3.28	$0.35	1,200,000
50,000	$0.41	3.49	$0.41	50,000
100,000	$1.50	0.84	$1.50	100,000
100,000	$0.70	1.34	$0.70	75,000
200,000	$0.70	4.45	$0.70	66,666
845,000	$0.90	4.70	$0.90	281,666
50,000	$1.15	4.78	$1.15	–
100,000	$1.12	4.85	$1.12	–
110,000	$1.36	4.89	$1.36	–
2,755,000		3.80	$0.68	1,773,332

During the nine months ended July 31, 2007, under the fair-value-based method, $209,730 (2006 – $183,023) in compensation expense was recorded for options vested to directors, officers, and consultants. Of the compensation expense, $75,411 (2006 – $183,023) was included in salaries and wages and $105,696 (2006 – $nil) was included in investor relations in the statement of operations and deficit and $28,623 (2006 – $nil) was capitalized in mineral properties.

The fair value of share options used has been estimated using the Black-Scholes option pricing model with the following assumptions:

Nine months ended July 31,	*2007*	*2006*
Risk free interest rate	4.05%	3.58%
Expected dividend yield	–%	–%
Stock price volatility	109%	32%
Expected life of options	4.24 years	2.66 years
Fair value of options	$0.57	$0.12

5. Share Capital (continued)

e) Contributed surplus

	Nine months ended July 31, 2007 $	Year ended October 31, 2006 $
Balance, beginning of period	795,821	204,282
Stock based compensation for stock options	209,730	196,391
Stock based compensation for broker warrants	55,192	37,364
Stock based compensation for warrants	–	547,335
Exercise of stock options	(11,200)	(31,043)
Exercise of warrants	(61,600)	(158,508)
Balance, end of period	987,943	795,821

f) Shares held in escrow

At July 31, 2007, 2,632,500 (October 31, 2006 – 3,594,625) shares were subject to escrow agreements dated July 27, 2005 and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory body having jurisdiction thereon. Escrowed shares are released every six months and the length of the agreements range from eighteen months to three years.

6. Related Party Transactions

a) Included in the period at their exchange amounts are the following items paid or accrued to directors and companies controlled by directors of the Company for services provided:

Nine months ended July 31,	2007 $	2006 $
Geological consulting fees	40,953	46,775

b) During the nine months ended July 31, 2007, the Company received rent reimbursement of $21,000 (2006 – $nil) from a company with common officers and directors

c) Included in accounts payable at July 31, 2007, was $58,744 (October 31, 2006 – $14,268) payable to related parties without interest.

d) During the year ended October 31, 2005, the Company received advances of $15,500 from related parties without interest or fixed terms of repayment. During the first quarter of 2006, the advances were repaid in full.

7. Commitments

a) As at July 31, 2007, the Company had an irrevocable standby letter of credit with a Canadian chartered bank in the amount of $50,000 (October 31, 2006 – $50,000), providing security on the performance of obligations. The Company has a short-term investment of $50,000 required by this letter of credit and it is presented as restricted cash.

b) The Company is committed to rental agreements and equipment leases as follows:

	Office rentals $	Equipment leases $
2007	66,965	2,636
2008	160,716	6,165
2009	93,751	1,262
2010	–	816

7. Commitments (continued)

c) In the ordinary course of business, the Company enters into contracts which contain indemnification provisions, such as loan agreements, purchase contracts, service agreements, licensing agreements, asset purchase and sale agreements, joint venture agreements, operating agreements, leasing agreements, land use agreements, etc. In such contracts, the Company may indemnify counterparties to the contracts if certain events occur. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Company could be required to pay cannot be estimated.

d) Pursuant to the flow-through common shares issued, the Company is committed to spending $3,990,000 on qualified expenditures by December 31, 2007. As of July 31, 2007, the Company has expended $3,045,000 and is committed to expend a further $945,000 by December 31, 2007.

e) The Company is committed to certain cash payments, share issuances and exploration expenditures as described in Note 4 and Note 12.

8. Contingencies

In June, 2006, the Company was awarded $778,000 as part of a class action settlement against a number of international vitamin manufacturers in connection with allegations of price fixing during the late 1990's when the Company was engaged in a non-related business. The Company sought the protection of the Companies' Creditors Arrangement Act ("CCAA") in April 2000 and completed the CCAA proceedings in July 2004. Several parties to the CCAA proceedings immediately claimed they were the rightful owner of the $778,000 and the funds went into escrow pending legal recourse. In November 2006, the courts ruled the funds belonged to the unsecured creditors and not the Company. The Company appealed the courts decision and was successful. The matter will go before the courts again in late 2007. The Company will not recognize any amount related to this action until it has a final decision from the court of appeal.

9. Short-term investments

Short-term investments consist of term deposits and bankers acceptance held with a chartered bank and brokerage firm. They are recorded at the lower of cost or fair market value. Losses in value, which are other than temporary, are recognized by writing down the investment to market value. As at July 31, 2007, the carrying value was $3,249,549 and the fair market value was $3,260,113.

10. Non-Cash Transactions

During the nine months ended July 31, 2007 and 2006, the following non-cash cash transactions occurred:

Nine months ended July 31,	*2007*	*2006*
	$	*$*
Mineral properties included in accounts payable	533,931	89,835
Shares and warrants issued for financing	139,171	33,920
Shares issued for mineral property	929,537	273,000

11. Segment Information

The Company operates in the single business segment of mineral exploration and development. The Company operates in two geographic segments. Geographic distribution of operating results in the geographic segments are as follows:

July 31, 2007	*Canada* $	*Finland* $	*Total* $
Total assets	12,399,370	1,104,375	13,503,745
Mining interests	7,107,250	1,104,375	8,211,625
Net loss	500,836	–	500,836

12. Subsequent Events

Subsequent to July 31, 2007, the Company announced a non-brokered private placement for gross proceeds of $2,500,000. The private placement consists of 2,272,727 common shares priced at $1.10 per share. No warrants will be issued and no finders' fee will be paid in connection with the private placement. The shares will be subject to hold periods in accordance with applicable securities laws.

Subsequent to July 31, 2007, the Company announced that it has entered into an option agreement to acquire three contiguous parcels of shoreline covering 857,575 square meters of land in Brazil for development of an iron ore port facility. The purchase was completed through a newly formed company, Brazore Holdings ("Brazore Holdings") with a wholly owned Brazilian subsidiary, Brazore Ltda. ("Brazore"). The Company owns 75% of Brazore Holdings while Athena Resources L.L.C. ("Athena"), a private investment firm based in New York, USA, owns the remaining 25% interest.

The Company is to fund Brazore's business plan in three tranches to maintain its 75% ownership: (1) US $5 million by October 20, 2007, of which the Company has funded US $3,350,000 to date, (2) US $18 million by November 29, 2007 and (3) a further US $33 million by August 20, 2009. The Company intends to fund these tranches through private placements of equity and/or debt. The funds will be used for the purchase of the port site, advanced engineering and feasibility studies, procurement and port development. Brazore Holdings has agreed to pay to Athena a royalty of $0.50 per dry tonne of iron ore transported or shipped through the port facility to an aggregate maximum of $3.0 million. The royalty is payable as an advance royalty of $250,000 in equal consecutive quarterly installments to the $3.0 million maximum.

The transaction is subject to a finder's fee agreement whereby the Company is to pay to a fee between 1% and 5% of development expenditures of the project to a maximum $350,000. The fee is payable in cash or common shares, at the election of the Company. If payable in shares, the conversion price will be the average of the five trading days prior to payment.

Corporate Data

ADRIANA RESOURCES INC.

TSX-V: ADI
Frankfurt: A7R

Corporate Office

Suite 1818 – 701 West Georgia Street
Vancouver BC V7Y 1C6
Tel: 604.629.0250
Fax: 604.629.0923
Toll Free: 1.877.629.0150
Email: info@adrianaresources.com
www.adrianaresources.com

Directors & Officers

Michael Beley	*President & Director*
Richard Barclay	*CFO & Director*
Frank Condon, P.Eng.	*Director of Business Development & Director*
Wilf Struck, P.Eng.	*Qualified Person & Director*
Joe Greibel	*Director*
Paul Fong	*Director*
Gordon Addie	*Vice-President Exploration*

Legal Counsel

Corporate
Lang Michener LLP
1500 – 1055 West Georgia Street
Vancouver, BC V6E 4N7

Mining
Fraser Milner Casgrain LLP
15th Floor – 1040 West Georgia Street
Vancouver, BC V6E 4H8

Bank

Bank of Montreal
595 Burrard Street
Vancouver, BC V7X 1L7

Transfer Agent

Computershare Trust Company of Canada
2nd Floor – 510 Burrard Street
Vancouver, BC V6C 3B9

Auditor

Manning Elliott Chartered Accountants
11th Floor – 1050 West Pender Street
Vancouver, BC V6E 3S7