



BANRO CORPORATION

**Interim Consolidated Financial Statements**  
**September 30, 2009**

**(Expressed in U.S. dollars)**  
**(Unaudited)**

**Banro Corporation**  
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(Expressed in U.S. dollars)  
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**Banro Corporation**  
**Consolidated Balance Sheets**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

	<b>September 30,</b>	<b>December 31,</b>
	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 75,350,865	\$ 2,353,600
Short-term investment (Note 2)	2,284,354	-
Accounts receivable and prepaid expenses	411,978	361,799
	78,047,197	2,715,399
<b>Restricted cash</b> (Notes 2 and 11)	-	5,074,414
<b>Investment</b> (Note 3)	6,127,645	764,145
<b>Property, plant and equipment</b> (Note 4)	8,259,889	828,344
<b>Deferred exploration expenditures</b> (Note 5)	116,546,997	105,891,819
	\$ 208,981,728	\$ 115,274,121
<b>Liabilities and Shareholders' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 859,137	\$ 4,295,184
<b>Commitments and guarantees</b> (Notes 8 and 11)		
<b>Shareholders' equity</b>		
Share capital (Note 6)	253,231,560	158,527,626
Contributed surplus	16,743,603	14,761,134
Accumulated other comprehensive loss	(593,617)	-
Deficit	(61,258,955)	(62,309,823)
	208,122,591	110,978,937
	\$ 208,981,728	\$ 115,274,121
<b>Common shares</b>		
<b>Authorized</b>	<b>Unlimited</b>	<b>Unlimited</b>
<b>Issued and outstanding</b>	<b>105,961,938</b>	<b>52,482,938</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Banro Corporation**  
**Interim Consolidated Statements of Operations and**  
**Other Comprehensive Income (Loss)**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
<b>Expenses</b>				
Professional fees	\$ 240,515	\$ 133,831	\$ 550,143	\$ 483,088
Consulting fees	128,506	(9)	268,016	678
Office and sundry	193,872	239,476	824,478	733,174
Salary	472,506	404,033	1,358,029	1,289,835
Employee stock based compensation	706,374	359,332	1,390,976	1,115,113
Travel	207,694	157,651	523,699	505,645
Shareholder relations and promotion	84,966	100,721	261,138	447,303
Directors fees	30,000	30,000	90,000	85,000
Interest and bank charges	4,957	6,742	13,463	19,872
Amortization	9,716	7,123	25,122	25,533
Foreign exchange (gain) loss	(6,548,929)	109,846	(6,261,514)	369,418
	<b>4,469,823</b>	<b>(1,548,746)</b>	<b>956,450</b>	<b>(5,074,659)</b>
<b>Interest income</b>	<b>79,132</b>	<b>48,767</b>	<b>94,418</b>	<b>416,976</b>
<b>Income (loss) from operations</b>	<b>4,548,955</b>	<b>(1,499,979)</b>	<b>1,050,868</b>	<b>(4,657,683)</b>
Share of equity loss of BRC DiamondCore Ltd. (Note 3)	-	-	-	(14,256)
Gain on dilution of interest in BRC DiamondCore Ltd. (Note 3)	-	-	-	11,363,090
Reduction in value of investment in BRC DiamondCore Ltd. (Note 3)	-	-	-	(8,141,380)
<b>Net income (loss) for the period</b>	<b>\$ 4,548,955</b>	<b>\$ (1,499,979)</b>	<b>\$ 1,050,868</b>	<b>\$ (1,450,229)</b>
Fair value adjustment on available-for-sale investment	(50,492)	(3,130,588)	(593,617)	(11,271,968)
Reduction in value of investment in BRC DiamondCore Ltd. other than temporary	-	-	-	8,141,380
<b>Other comprehensive loss for the period</b>	<b>(50,492)</b>	<b>(3,130,588)</b>	<b>(593,617)</b>	<b>(3,130,588)</b>
<b>Comprehensive income (loss) for the period</b>	<b>\$ 4,498,463</b>	<b>\$ (4,630,567)</b>	<b>\$ 457,251</b>	<b>\$ (4,580,817)</b>
<b>Deficit, beginning of the period</b>	<b>(65,807,910)</b>	<b>(53,789,581)</b>	<b>(62,309,823)</b>	<b>(53,839,331)</b>
Net income (loss) for the period	4,548,955	(1,499,979)	1,050,868	(1,450,229)
<b>Deficit, end of the period</b>	<b>\$ (61,258,955)</b>	<b>\$ (55,289,560)</b>	<b>\$ (61,258,955)</b>	<b>\$ (55,289,560)</b>
Basic net income (loss) per share (Note 6 (e))	\$ 0.04	\$ (0.04)	\$ 0.01	\$ (0.04)
Diluted net income (loss) per share (Note 6(e))	\$ 0.04	\$ (0.04)	\$ 0.01	\$ (0.04)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Banro Corporation**  
**Interim Consolidated Statements of Changes in Shareholders' Equity**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

	Share Capital Number of Shares	Share Capital Amount (Note 6)	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit
December 31, 2006	38,600,637	\$ 130,181,820	\$ 6,873,851	\$ 7,284	\$ (49,523,526)
Fair value adjustment on investment available-for-sale on January 1, 2007	-	-	-	(18,825)	-
Share of BRC contributed surplus	-	-	333,270	-	-
Issuance of stock options	-	-	9,751,397	-	-
Options exercised or forfeited	1,259,500	6,411,671	(2,957,844)	-	-
Reversal of fair value upon disposition of investment available-for-sale	-	-	-	18,825	-
Translation of equity investment	-	-	-	496,286	-
Net loss for the year	-	-	-	-	(4,315,805)
December 31, 2007	39,860,137	\$ 136,593,491	\$ 14,000,674	\$ 503,570	\$ (53,839,331)
Transfer to investment for BRC DiamondCore upon loss of significant influence (Note 3)	-	-	(333,270)	(503,570)	-
Issuance of stock options	-	-	1,924,641	-	-
Options exercised or forfeited	622,801	3,734,757	(830,911)	-	-
Fair value adjustment on investment available-for-sale	-	-	-	(13,247,753)	-
Reduction in value of investment other than temporary	-	-	-	13,247,753	-
Issued share capital	12,000,000	16,639,431	-	-	-
Issued warrants	-	1,559,947	-	-	-
Net loss for the year	-	-	-	-	(8,470,492)
December 31, 2008	52,482,938	\$ 158,527,626	\$ 14,761,134	\$ -	\$ (62,309,823)
<b>Issued share capital</b>	<b>53,479,000</b>	<b>100,357,254</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing costs</b>	<b>-</b>	<b>(5,653,320)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Issuance of stock options</b>	<b>-</b>	<b>-</b>	<b>1,982,469</b>	<b>-</b>	<b>-</b>
<b>Fair value adjustment on available-for-sale investment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(593,617)</b>	<b>-</b>
<b>Net income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,050,868</b>
<b>September 30, 2009</b>	<b>105,961,938</b>	<b>\$ 253,231,560</b>	<b>\$ 16,743,603</b>	<b>\$ (593,617)</b>	<b>\$ (61,258,955)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Banro Corporation**  
**Interim Consolidated Statements of Cash Flows**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Net income (loss) for the period	\$ 4,548,955	\$ (1,499,979)	\$ 1,050,868	\$(1,450,229)
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Unrealized foreign exchange (gain) loss	(4,801,581)	170,057	(4,510,278)	830,012
Share of equity loss	-	-	-	14,256
Gain on dilution of interest in BRC	-	-	-	(11,363,090)
Reduction in value of BRC	-	-	-	8,141,380
Value of options issued (Note 6(d))	796,155	359,332	1,480,757	1,115,113
Amortization	9,716	7,123	25,122	25,533
Changes in non-cash working capital				
Accounts receivable and prepaid expenses	(185,119)	310,867	(50,171)	61,668
Accrued interest on short-term investments	1,919	27,730	4,295	568,478
Accounts payable and accrued liabilities	(640,870)	1,033,866	(455,365)	1,173,138
	(270,825)	408,996	(2,454,772)	(883,741)
<b>Investing activities</b>				
Acquisition of property, plant and equipment	(7,697,814)	(75,801)	(7,790,845)	(446,058)
Short-term investments	(376,856)	7,750,606	(2,284,289)	26,784,998
Change in restricted cash	5,592,779	-	5,350,779	-
Advances (to) from BRC DiamondCore Ltd.	(5,229,943)	(2,737)	(5,235,349)	8,287
Deferred exploration expenditures (Note 5)	(3,266,340)	(11,964,574)	(12,845,754)	(31,402,913)
	(10,978,174)	(4,292,506)	(22,805,458)	(5,055,686)
<b>Financing activities</b>				
Common shares issued, net of issuance costs	2,799	18,204,831	94,703,934	21,108,677
<b>Effect of foreign exchange on cash held in foreign currency</b>	<b>3,896,996</b>	<b>(430,676)</b>	<b>3,553,561</b>	<b>(693,006)</b>
<b>Net (decrease) increase in cash during the period</b>	<b>(7,349,204)</b>	<b>13,890,645</b>	<b>72,997,265</b>	<b>14,476,244</b>
<b>Cash, beginning of period</b>	<b>82,700,069</b>	<b>2,752,612</b>	<b>2,353,600</b>	<b>2,167,013</b>
<b>Cash, end of period</b>	<b>\$ 75,350,865</b>	<b>\$16,643,257</b>	<b>\$ 75,350,865</b>	<b>\$16,643,257</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**Banro Corporation**  
**Summary of Significant Accounting Policies**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

**September 30, 2009**

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**Nature of Business and Presentation**

Banro Corporation's (the "Company") business focus is the exploration of mineral properties in the Democratic Republic of the Congo (the "Congo"). The Company was continued under the *Canada Business Corporations Act* on April 2, 2004. The Company was previously governed by the Ontario *Business Corporations Act*.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern, which assumes that the Company will continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not generated revenues from operations. As such, the Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

These interim consolidated financial statements have been prepared on a basis consistent with that followed in the audited consolidated financial statements of the Company for the year ended December 31, 2008, with the exception of the changes disclosed in the notes to these interim consolidated financial statements. The disclosures contained in these interim consolidated financial statements do not include all requirements of Canadian GAAP for annual financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2008.

**Principles of Consolidation**

These interim consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary in the United States, Banro American Resources Inc., and its wholly-owned subsidiaries in the Congo, Banro Congo Mining SARL, Kamituga Mining SARL, Lugushwa Mining SARL, Namoya Mining SARL and Twangiza Mining SARL. All inter-company transactions and balances have been eliminated on consolidation.

**Investments**

Investments in companies subject to significant influence are accounted for using the equity method. Investments in companies where significant influence cannot be exerted are designated as available-for-sale. See Financial Instruments – recognition and measurement for further discussion.

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**Banro Corporation**  
**Summary of Significant Accounting Policies**  
**(Expressed in U.S. dollars)**  
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**September 30, 2009**

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**Property, Plant and Equipment** Property, plant and equipment is recorded at cost less accumulated amortization and net realizable value. Amortization is recorded as follows:

Furniture and fixtures	- 20% declining balance basis
Office equipment	- Straight line over four years
Vehicles	- Straight line over four years
Communication equipment	- Straight line over four years
Field camps	- Straight line over four years
Surveying equipment	- Straight line over four years
Geochemistry	- Straight line over four years
Field equipment	- Straight line over four years
Leasehold improvements	- Straight line over five years

Machinery and equipment, which includes a purchased process plant, will not be depreciated until construction is completed.

**Asset Impairment** The Company monitors events and changes in circumstances which may require an assessment of the recoverability of its long lived assets. If required, the Company would assess recoverability using estimated undiscounted future operating cash flows. If the carrying amount of an asset is not recoverable, an impairment loss is recognized in operations, measured by comparing the carrying amount of the asset to its fair value.

**Foreign Currency Translation** These interim consolidated financial statements are expressed in the functional currency of the Company, United States dollars. The Company's foreign operations are all considered integrated operations and are translated as follows: monetary assets and liabilities are translated at the spot rates of exchange in effect at the end of the period; non-monetary items are translated at historical exchange rates in effect on the dates of the transactions. Revenues and expense items are translated at average rates of exchange in effect during the period, except for amortization which is translated at its corresponding historical rate. Realized exchange gains and losses are included in the interim consolidated statements of operations and other comprehensive income (loss).

**Deferred Exploration Expenditures** Exploration costs relating to mineral properties and rights are deferred and carried as an asset until the results of the projects are known. As the Company currently has no operational income, any incidental revenues earned in connection with these properties or related exploration activities are applied as a reduction to capitalized exploration costs. If a property is determined to be non-commercial, non-productive or its value is impaired, those costs in excess of estimated recoveries are written off to operations.

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**Banro Corporation**  
**Summary of Significant Accounting Policies**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

**September 30, 2009**

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**Stock Options**

The Company has a stock option plan, which is described in Note 6(d). The Company uses the fair value method of accounting for stock options granted to directors, officers and employees whereby the fair value of options granted is recorded as a compensation expense in the financial statements. Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. Any consideration paid by directors, officers, employees and consultants on exercise of stock options or purchases of shares is credited to share capital. Shares are issued from treasury upon the exercise of stock options.

**Asset Retirement Obligations**

The fair value of the liability of an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. The Company has no asset retirement obligations recorded on its balance sheet as of September 30, 2009.

**Financial Instruments – recognition and measurement**

Held-for-trading financial instruments which include cash are initially measured at fair value and changes in fair value are recognized in operations for the period.

Loans and receivables, held-to-maturity financial instruments and other financial instruments are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Gains or losses resulting from revaluation and impairment write-downs are recognized in net income (loss) for the period. The Company's short term investments are classified as held-to-maturity. Accounts receivable are classified as loans and receivables while accounts payable are classified as other financial liabilities.

Available-for-sale financial assets, which include the Company's investment in BRC DiamondCore Ltd., are recorded at fair value, with unrealized changes in fair value recorded in other comprehensive income (loss) except for losses in value that are considered other than temporary. Impairment losses that are considered other than temporary are recorded in the statement of operations and comprehensive income (loss) in the year the impairment occurs.

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**Banro Corporation**  
**Summary of Significant Accounting Policies**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

**September 30, 2009**

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**Income Taxes**

The asset and liability method is used to determine income taxes. Pursuant to this method, future tax assets and liabilities are recognized for future tax consequences attributable to differences between financial statement carrying values and tax bases of assets and liabilities. Future tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rate is recognized in income (loss) in the period of substantive enactment of new rates. Net future income tax assets are offset by valuation allowances to the extent that they are not more likely than not to be realized.

**Net Income (Loss) per Share**

Net income (loss) per share calculations are based on the weighted average number of common shares and common share equivalents issued and outstanding during the period. Diluted income (loss) per share is calculated using the treasury method. The treasury method assumes that outstanding stock options and warrants with an average exercise price below market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price of the common shares for the period.

**Use of Estimates**

These interim consolidated financial statements have been prepared in accordance with Canadian GAAP which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions include those related to the recoverability of deferred exploration expenditures and assessment of other than temporary declines in investments.

**Variable Interest Entities**

Variable Interest Entities ("VIE's") are consolidated by the Company when it is determined that it will, as the primary beneficiary, absorb the majority of the VIE's expected losses or receive a majority of the expected residual returns. The Company currently does not have any VIE's.

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**Banro Corporation**  
**Summary of Significant Accounting Policies**  
**(Expressed in U.S. dollars)**  
(unaudited)

September 30, 2009

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**Future Accounting Standards**

*Financial Instruments - Disclosures*

In June 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures", to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level 3 valuations are based on inputs that are not based on observable market data. The amendments to Section 3862 apply to annual financial statements for fiscal years ending after September 30, 2009. Earlier adoption is permitted. The Company is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

*Business Combinations*

In January 2009, the CICA issued accounting standard Section 1582, *Business Combinations*, which is effective for business combinations with an acquisition date after January 1, 2011. The standard requires the additional use of fair value measurements, recognition of additional assets and liabilities and increased disclosure. Additionally, as part of the application of Section 1582, companies will be required to adopt CICA handbook Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-Controlling Interests*. These sections will require that a non-controlling interest be presented as part of shareholder's equity on the balance sheet and the controlling parent will be required to present 100 percent of the subsidiary's results in the statement of operations and present the allocation between controlling and non-controlling interest. These standards will be effective January 1, 2011, with early adoption permitted.

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**Banro Corporation**  
**Summary of Significant Accounting Policies**  
**(Expressed in U.S. dollars)**  
**(unaudited)**

**September 30, 2009**

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**Future Accounting Standards (continued)**

*International Financial Reporting Standards*

In February 2008, the Accounting Standards Board (“AcSB”) of the Canadian Institute of Chartered Accountants (“CICA”) confirmed that Canadian GAAP for publicly accountable enterprises will be converged with International Financial Reporting Standards (“IFRS”) effective in the calendar year 2011. The conversion to IFRS will be required, for the Company, for interim and annual financial statements beginning on January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosures. In the period leading up to the conversion, the AcSB will continue to issue accounting standards that are converged with IFRS such as IAS 2 “Inventories” and IAS 38 “Intangible Assets”, thus mitigating the impact of adopting IFRS at the mandatory transition date. The Company will monitor changes arising from this convergence and as required by CSA Staff Notice 52-320.

**Accounting Changes**

*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*

In January 2009, the CICA issued EIC-173, “*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*” which requires the Company to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The standard is effective for the first quarter of 2009 and is required to be applied retrospectively without restatement of prior periods. The adoption of this standard did not have an impact on the valuation of the Company’s financial assets or liabilities.

*Mining Exploration Costs*

In March 2009 the CICA issued EIC-174, “*Mining Exploration Costs*” which provides guidance to mining enterprises related to the accounting of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC-174 have been considered in the preparation of these interim consolidated financial statements and did not have any additional impact on the valuation of the Company’s exploration assets.

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**Banro Corporation**  
**Summary of Significant Accounting Policies**  
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**Accounting Changes (continued)**

*Goodwill and Intangible Assets*

In February 2008, the CICA issued accounting standard Section 3064, *Goodwill and intangible assets*, replacing Section 3062, *Goodwill and intangible assets* and Section 3450, *Research and development costs*. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Section 3064 is applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. The Company adopted this standard commencing in the 2009 fiscal year. The adoption did not have a significant impact on the Company's interim consolidated financial statements.

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**Banro Corporation**  
**Notes to Interim Consolidated Financial Statements**  
**(Expressed in U.S. dollars)**  
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**September 30, 2009**

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**1. Interest in Congolese Subsidiaries**

The Company operates primarily in one operating segment and its assets located in the Congo, including its interests in gold properties, may be subject to sovereign risks, including political and economic instability, government regulations relating to mining, military repression, civil disorder, currency fluctuations and inflation, all or any of which may impede the Company's activities in this country or may result in the impairment or loss of part or all of the Company's interest in the properties.

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**2. Short Term Investment**

The Company has invested in a Canadian dollar ("Cdn\$") bankers acceptance with an interest rate of 0.20%, maturity of October 16, 2009 and a market value of \$2,284,301 (Cdn\$ 2,445,718) (December 31, 2008 - \$1,996,620, Cdn\$2,431,937). This investment is classified as held-to-maturity. An amount of \$1,995,757 with respect to short term investments was classified as restricted cash as at December 31, 2008 (see Note 11).

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**3. Investment in BRC DiamondCore Ltd. (formerly BRC Diamond Corporation)**

The Company owns 3,744,032 common shares, representing a 14.35% (December 31, 2008 - 14.35%) equity interest, in BRC DiamondCore Ltd. ("BRC") with a quoted market value of \$174,846 as at September 30, 2009 (December 31, 2008 - \$768,463). In September 2009, the Company advanced to BRC an amount of \$5,919,684 (Cdn\$6,337,991) that was used to pay in full all of BRC's outstanding indebtedness to RBC Dominion Securities Inc. which had been previously guaranteed by the Company (see Note 11). These funds were advanced by the Company under the terms and conditions of a promissory note repayable on demand and bearing interest based on the Royal Bank of Canada prime rate plus 1% per annum. In November 2009, the Company reached a full and final settlement of this debt with BRC (see Note 14). In addition, an amount of \$33,115 was payable from BRC with respect to BRC's share of common expenses in the Congo. The principal business of BRC is the acquisition and exploration of diamond properties. As at September 30, 2009, the Company recognized an unrealized loss of \$593,617 to other comprehensive loss to adjust the Company's investment in BRC to its fair market value of \$174,846.

As at December 31, 2008, the Company recognized an unrealized loss of \$13,247,753 to other comprehensive income to adjust the Company's investment in BRC to its fair market value of \$768,463. During the fourth quarter of 2008, the global economic down-turn, the credit crisis and the lack of available financing in the market, collectively resulted in a significant decline in the price of many products and commodities, including rough diamonds. BRC as well as many junior mining companies, particularly in the diamond sector, were severely impacted by the decline in price of commodities which in turn resulted in a significant decline in their stock market values during 2008, including BRC's. As a result, the Company recorded an impairment loss of \$13,247,753 and transferred the full unrealized loss from other comprehensive income to net loss to reflect an other than temporary decline in value.

On February 11, 2008, BRC completed the acquisition of all of the outstanding shares of Diamond Core Resources Limited ("Diamond Core"), a South African diamond exploration company. As the consideration for this acquisition, BRC issued to Diamond Core shareholders one common share of BRC for every 24.5 Diamond Core shares held (subject to the rounding of fractional shares), such that immediately following the completion of the acquisition, BRC had outstanding approximately 25.74 million shares and former Diamond Core shareholders held approximately 47% of BRC's outstanding shares.

As a result of this transaction, effective February 11, 2008, the Company's equity interest in BRC was reduced to approximately 14.55% and a dilution gain of \$11,363,090 was recorded. The Company no longer exercises significant influence over the operations of BRC and has reclassified this equity investment as available-for-sale.

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**Notes to Interim Consolidated Financial Statements**  
**(Expressed in U.S. dollars)**  
(unaudited)

**September 30, 2009**

**4. Property, Plant and Equipment**

<b>September 30, 2009</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Furniture and fixtures	\$ 210,143	\$ 98,468	\$ 111,675
Office equipment	607,012	456,142	150,870
Vehicles	1,082,711	847,381	235,330
Communication equipment	110,489	70,449	40,040
Field camps	869,626	506,429	363,197
Surveying equipment	106,780	94,822	11,958
Geochemistry	186,856	156,048	30,808
Field equipment	85,811	28,526	57,285
Machinery and equipment	7,245,291	-	7,245,291
Leasehold improvement	155,209	141,774	13,435
	<b>\$ 10,659,928</b>	<b>\$ 2,400,039</b>	<b>\$ 8,259,889</b>

December 31, 2008	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	\$ 202,882	\$ 80,114	\$ 122,768
Office equipment	541,397	402,590	138,807
Vehicles	951,011	718,744	232,267
Communication equipment	93,343	56,337	37,006
Field camps	600,544	411,117	189,427
Surveying equipment	106,780	79,303	27,477
Geochemistry	186,856	136,778	50,078
Field equipment	32,011	19,813	12,198
Leasehold improvement	154,259	135,943	18,316
	<b>\$ 2,869,083</b>	<b>\$ 2,040,739</b>	<b>\$ 828,344</b>

**Banro Corporation**  
**Notes to Interim Consolidated Financial Statements**  
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**September 30, 2009**

**5. Deferred Exploration Expenditures**

**Deferred Exploration Expenditures**

	Nine months ended September 30, 2009	Year ended December 31, 2008	Cumulative from inception in April 1994 to September 30, 2009
Exploration costs	\$ 9,819,288	\$ 40,791,660	\$ 123,512,558
Stock option compensation expense	501,712	495,203	7,429,241
Amortization of plant and equipment	334,178	517,612	2,106,256
Deconsolidation of Loncor	-	-	(332,127)
Net expenditures	<b>10,655,178</b>	41,804,475	132,715,928
Effect of exchange rate change	-	-	2,511
	<b>10,655,178</b>	41,804,475	132,718,439
Write-off	-	-	(16,191,442)
	<b>\$ 10,655,178</b>	<b>\$ 41,804,475</b>	<b>\$ 116,526,997</b>

**Mineral Rights**

	Nine months ended September 30, 2009	Year ended December 31, 2008	Cumulative from inception in April 1994 to September 30, 2009
Mineral rights	\$ -	\$ -	\$ 9,701,194
Write-off	-	-	(9,681,194)
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>

Mineral rights and deferred exploration expenditures, capitalized prior to fiscal year 2000, were written off in fiscal 2000.

Total deferred exploration expenditures, September 30, 2009 **\$ 116,546,997**

Total deferred exploration expenditures, December 31, 2008 **\$ 105,891,819**

Included in total deferred exploration expenditures is a total cost of \$1,195,645 (December 31, 2008 – \$935,452) paid by the Company to maintain the Banro Foundation, a charitable organization that promotes social responsibilities of the Company.

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**Notes to Interim Consolidated Financial Statements**  
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**6. Share Capital**

(a) Authorized Share Capital

Unlimited number of common shares  
Unlimited number of preference shares, issuable in series

(b) Issued Share Capital - Common Shares

On June 25, 2009, the Company completed a financing involving the issuance of 43,479,000 common shares of the Company at a price of Cdn\$2.30 per share for gross proceeds of Cdn\$100,001,700 (\$86,357,254).

On February 19, 2009, the Company completed a financing involving the issuance of 10,000,000 common shares of the Company at a price of \$1.40 per share for gross proceeds of \$14,000,000.

(c) Share Purchase Warrants

As at September 30, 2009, the Company had outstanding warrants to purchase 6,000,000 common shares of the Company at a price of \$2.20 per share until September 17, 2011.

(d) Stock Options

The Company has an incentive Stock Option Plan under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company or any of its subsidiaries.

Under this Stock Option Plan, for options granted prior to January 16, 2006, the options vest 25% immediately at grant date and 25% on each of the three consecutive six-month periods subsequent to the issuance. For options granted after January 16, 2006, 75% vest on the 12 month anniversary of their grant date and the remaining 25% of the options vest on the 18 month anniversary of their grant date. As at September 30, 2009, the Company had 6,719,750 stock options outstanding to acquire common shares at a weighted-average price of Cdn\$5.93 per share, expiring at various dates between October 2009 and September 2014. The weighted averages of the remaining contractual life of outstanding and exercisable stock options are 3.47 years and 2.05 years, respectively.

The following table summarizes information about stock options during the period:

	Number of Options	Weighted average exercise price Cdn\$
Outstanding at December 31, 2006	4,811,051	8.36
Exercised	(1,259,500)	(4.21)
Forfeited	(224,000)	(14.63)
Granted	363,000	12.52
Outstanding at December 31, 2007	3,690,551	9.81
Exercised	(622,801)	(4.70)
Forfeited	(22,500)	(2.00)
Granted	479,500	2.35
Outstanding at December 31, 2008	3,524,750	9.74
Forfeited	<b>(22,000)</b>	<b>3.10</b>
Cancelled	<b>(45,000)</b>	<b>15.00</b>
Expired	<b>(478,000)</b>	<b>3.86</b>
Granted	<b>3,740,000</b>	<b>2.16</b>
Outstanding at September 30, 2009	<b>6,719,750</b>	<b>\$5.93</b>

**Banro Corporation**  
**Notes to Interim Consolidated Financial Statements**  
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**September 30, 2009**

**6. Share Capital - (continued)**

(d) Stock Options - (continued)

The following table summarizes information about stock options outstanding and exercisable at September 30, 2009:

<b>Options outstanding and exercisable</b>				
<b>Date of grant</b>	<b>Number outstanding at 09/30/09</b>	<b>Options Exercisable at 09/30/09</b>	<b>Exercise price Cdn\$</b>	<b>Expiry date</b>
10/06/04	10,000	10,000	4.00	10/06/09
12/14/04	5,000	5,000	4.50	12/14/09
01/21/04	200,000	200,000	3.00	01/21/10
02/11/05	90,000	90,000	4.70	02/10/10
07/19/05	3,750	3,750	5.25	07/19/10
08/31/05	45,000	45,000	6.60	08/31/10
09/09/05	52,500	52,500	6.68	09/09/10
01/25/06	250,000	250,000	11.25	01/25/11
02/06/06	20,000	20,000	11.25	02/06/11
10/24/06	596,000	596,000	13.52	10/24/11
12/18/06	915,000	915,000	15.00	12/18/11
3/29/07	35,000	35,000	15.00	3/29/12
8/24/07	300,000	300,000	12.00	8/24/12
9/26/08	277,500	208,125	3.10	9/26/13
10/30/08	180,000	-	1.10	10/30/13
3/2/09	200,000	-	2.00	3/2/14
3/26/09	3,175,000	-	2.15	3/26/14
4/6/09	10,000	-	2.16	4/6/14
9/1/09	280,000	-	2.30	9/1/14
9/14/09	75,000	-	2.55	9/14/11
	<b>6,719,750</b>	<b>2,730,375</b>		

During the three and nine months ended September 30, 2009, the Company recognized in the statement of operations as an expense \$706,374 and \$1,390,976, respectively (compared to \$359,332 and \$1,115,113 during the same respective periods in 2008) representing the fair value at the date of grant of stock options previously granted to employees, directors and officers under the Company's stock option plan that have vested. In addition, an amount of \$501,712 (September 30, 2008 - \$386,882) related to stock options issued to employees of the Company's subsidiaries in the Congo was capitalized as deferred exploration expenditures. During the three and nine months ended September 30, 2009, \$89,781 (September 30, 2008 - \$Nil) was recorded as a consulting expense with respect to stock options granted to a consultant. These amounts were credited accordingly to contributed surplus in the balance sheet.

**Banro Corporation**  
**Notes to Interim Consolidated Financial Statements**  
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**September 30, 2009**

**6. Share Capital - (continued)**

(d) Stock Options - (continued)

The Black-Scholes option-pricing model was used to estimate values of all stock options previously granted based on the following factors:

- (i) risk-free interest rate: 1.35% to 1.90% (2008 – 2.02% to 2.83%)
- (ii) expected volatility: 92.51% to 104.24% (2008 – 72.22% to 79.84%)
- (iii) expected life: 2 to 3 years (2008 – 3 years)
- (iv) expected dividends: \$Nil (2008 - \$Nil)

A summary of the status of the Company's non-vested options as at September 30, 2009 and changes during the period is presented below:

<b>Non-vested options</b>	<b>Number of Options</b>	<b>Weighted average grant date fair value (Cdn\$)</b>
Non-vested at December 31, 2008	554,500	\$ 1.58
Granted	<b>3,740,000</b>	<b>1.27</b>
Forfeited	<b>(22,000)</b>	<b>1.31</b>
Vested	<b>(283,125)</b>	<b>2.30</b>
Non-vested at September 30, 2009	<b>3,989,375</b>	<b>\$1.24</b>

(e) Income (loss) per Share

Income (loss) per share was calculated on the basis of the weighted average number of common shares outstanding for the nine month period ended September 30, 2009, amounting to 76,063,389 (September 30, 2008 – 40,844,862) common shares and for the three month period ended September 30, 2009, amounting to 105,961,938 common shares (September 30, 2008 – 42,080,764).

Diluted income (loss) per share was calculated using the treasury stock method. Dilutive stock options and warrants were determined by using the Company's average share price for the period. For the three and nine months ended September 30, 2009, the average share price used was \$1.75 and \$2.06 per share, respectively. In 2008, the addition of options and warrants were not included in the calculation of earnings per share as they would have been anti-dilutive.

**Banro Corporation**  
**Notes to Interim Consolidated Financial Statements**  
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**September 30, 2009**

**7. Related Party Transactions**

During the three and nine months ended September 30, 2009, the Company paid director's fees of \$30,000 and \$90,000, respectively to non-executive directors of the Company, (compared to \$30,000 and \$85,000 during the same respective periods in 2008).

Legal fees of \$204,574 and \$649,315 incurred for the three and nine month periods ended September 30, 2009, respectively (\$510,909 and \$699,399 during the same respective periods in 2008) in connection with general corporate matters as well as the Company's financings, were paid to a law firm of which one partner is a director of the Company and another partner is an officer of the Company. As at September 30, 2009, \$91,964 (December 31, 2008 - \$87,195) owing to this legal firm was included in accounts payable.

These transactions are in the normal course of operations and are measured at the exchange amount.

Prior to September 2009, the Company acted as a guarantor of a Cdn\$6,000,000 line of credit that RBC Dominion Securities Inc. had provided to BRC (see Notes 11 and 14 for additional information regarding this arrangement).

**8. Lease Commitments**

The Company's future minimum lease commitments for office premises as at September 30, 2009 for the following two years are as follows:

2009	72,949
2010	82,972
	\$ 155,921

**9. Segment Reporting**

The Company has one operating segment: the acquisition, exploration and development of precious metal projects located in the Congo. Geographic segmentation of property, plant and equipment and deferred exploration expenditures is as follows:

	<b>September 30, 2009</b>	December 31, 2008
Congo – deferred exploration expenditures	<b>\$ 116,546,997</b>	\$ 105,891,819
Congo – property, plant and equipment	<b>8,153,048</b>	753,453
Canada – property, plant and equipment	<b>106,841</b>	74,891
	<b>\$124,806,886</b>	\$ 106,720,163

**Banro Corporation**  
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**September 30, 2009**

**10. Significant Non-cash Transactions**

During the periods indicated the Company undertook the following significant non-cash transactions:

	<b>Three months ended September 30, 2009</b>	Three months ended September 30, 2008	<b>Nine months ended September 30, 2009</b>	Nine months ended September 30, 2008
Amortization included in deferred exploration expenditures	\$ 121,144	\$ 125,997	\$ 334,178	\$ 403,034
Stock option compensation included in deferred exploration expenditures	\$ 218,735	\$ 167,047	\$ 501,712	\$ 386,882

**11. Commitments and Guarantees**

RBC Dominion Securities Inc. (the "Lender") provided BRC a Cdn\$6,000,000 line of credit (the "Facility"). The Facility was first made available to BRC in October 2007 originally in the amount of Cdn\$3,000,000 and subsequently increased to Cdn\$6,000,000 in February 2008. The Company agreed to act as guarantor of the Facility. The said guarantee was secured by way of a pledge of the Company's investments with the Lender. In connection with the guarantee, the Company and BRC entered into an agreement dated as of October 29, 2007 pursuant to which BRC agreed to repay all amounts outstanding under the Facility and to terminate the Facility by July 28, 2008. BRC did not repay the amounts outstanding under the Facility. At December 31, 2008, an amount of \$5,074,414 was classified as restricted cash in order to account for the guarantee. In September 2009, the Company repaid to the Lender on behalf of BRC the full amount owed of Cdn\$6,337,991 (\$5,919,684) and the Company was fully released and discharged from the guarantee. See notes 3 and 14 for additional information.

**12. Financial Instruments and Risk Management**

**Fair Value of Financial Instruments**

The balance sheet carrying amounts for cash, accounts receivable and prepaid expenses, short-term investment, restricted cash and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

**Foreign Exchange Risk**

Foreign exchange risk is the risk that a variation in exchange rates between the United States dollar and Canadian dollar or other foreign currencies will affect the Company's operations and financial results. A portion of the Company's transactions is denominated in Canadian dollars and in Congolese francs. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities. Significant foreign exchange gains or losses are reflected as a separate component of the interim consolidated statement of operations and other comprehensive income (loss). The Company does not use derivatives instruments to reduce its exposure to foreign currency risk.

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**12. Financial Instruments and Risk Management (continued)**

The following table indicates the impact of foreign currency exchange risk on net working capital as at September 30, 2009. The table below also provides a sensitivity analysis of a 10 percent strengthening of the US dollar against foreign currencies as identified which would have increased (decreased) the Company's net loss by the amounts shown in the table below. A 10 percent weakening of the US dollar against the same foreign currencies would have had the equal but opposite effect as at September 30, 2009.

	Canadian dollars	Congolesse francs	South African rand	British pounds
Cash	60,500,732	947,262	808,200	-
Accounts receivable and prepaid expenses	38,588	-	97,334	-
Accounts payable	(335,248)	-	(101,299)	(7,288)
Total foreign currency net working capital	60,204,072	947,262	804,235	(7,288)
US\$ exchange rate	0.9340	0.0012	0.1332	1.6008
Total foreign currency net working capital in US\$	<b>\$ 56,230,603</b>	<b>\$ 1,136</b>	<b>\$ 107,124</b>	<b>\$ 11,666</b>
Impact of a 10% strengthening of the US\$ on net loss	<b>\$ 5,623,060</b>	<b>\$ 114</b>	<b>\$ 10,712</b>	<b>\$ 1,166</b>
Impact of a 10% strengthening of the US\$ on other comprehensive income	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Credit Risk**

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash, restricted cash and short-term investments. Cash as well as short-term investments are maintained with several financial institutions of reputable credit and may be redeemed upon demand. It is therefore the Company's opinion that such credit risk is subject to normal industry risks and is considered minimal.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that there is sufficient cash to meet its liabilities when they are due. Temporary surplus funds of the Company are invested in short term investments. The Company arranges the portfolio so that securities mature approximately when funds are needed. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The current global economic conditions have resulted in significant volatility in commodity prices as well as impacting the ability of companies to access the debt and equity markets. There can be no assurance that future financings will become available to the Company.

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**12. Financial Instruments and Risk Management (continued)**

Mineral Property Risks

The Company's operations in the Congo are exposed to various levels of political risk and uncertainties, including political and economic instability, government regulations relating to exploration and mining, military repression and civil disorder, all or any of which may have a material adverse impact on the Company's activities or may result in impairment or loss of part or all of the Company's assets.

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**13. Capital Management**

The Company manages its cash, common shares, warrants and stock options as capital. The Company's policy is to maintain sufficient capital base in order to meet its short term obligations and at the same time preserve investors' confidence required to sustain future development of the business. The Company has deliberately minimized the dilution of shareholder value to date by carefully controlling the issuance of shares and by attracting shareholders who understand the long term value of the business being developed. The Company intends to maintain this approach through the development stage of the Company.

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**14. Subsequent Event**

In November 2009, the Company entered into a debt settlement agreement (the "Settlement Agreement") with BRC with respect to the amount of Cdn\$6,337,991 (the "Debt") owed to the Company by BRC. The Company agreed that it will accept in full satisfaction of the Debt 31,689,955 common shares of BRC (the "Debt Shares") to be issued by BRC from treasury as fully paid (and non-assessable) shares. The Settlement Agreement also includes a call option provision exercisable until April 15, 2011 which provides to two directors of the Company (who are also parties to the Settlement Agreement for the purpose of the call option provision) the right to require the Company to sell all of the Debt Shares to the said directors for an aggregate purchase price of Cdn\$5,070,392.

The Company assessed events occurring subsequent to September 30, 2009 through November 10, 2009 for potential recognition and disclosure in the consolidated financial statements. No other events have occurred that would require adjustment to or disclosure in the consolidated financial statements which were issued November 10, 2009.

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**Banro Corporation**  
**Notes to Interim Consolidated Financial Statements**  
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**September 30, 2009**

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**15. Generally Accepted Accounting Principles in Canada and the United States**

The Company's accounting policies do not differ materially from accounting principles generally accepted in the United States ("U.S. GAAP") except for the following:

(a) Deferred Exploration Expenditures

U.S. GAAP requires that deferred exploration expenditures pertaining to mineral properties with no proven reserves be reflected as an expense in the period incurred.

(b) Investment in BRC

Prior to February 11, 2008, the investment in BRC is classified as an equity investment. For U.S. GAAP purposes the equity loss from the investee must be increased by the costs pertaining to mineral properties with no proven reserves. In addition, as the investee is a self sustaining operation, account needs to be made of the cumulative translation adjustment relating to the conversion of the assets and liabilities of the investee into US dollars.

Under Canadian GAAP, the dilution gains are recorded in income. Under U.S. GAAP, per SAB Topic 5-H because the investee is in the exploration stage, the dilution gains must be included in capital.

(c) Recently issued United States Accounting Standards

On May 28, 2009, the Financial Accounting Standards Board ("FASB") issued FAS 165 (ASC 855-10), Subsequent Events ("FAS 165 (ASC 855-10)"). FAS 165 (ASC 855-10) establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. An entity must recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including estimates inherent in the process of preparing financial statements. However, an entity shall not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date but before the financial statements are issued or are available to be issued. It states that an entity should disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. This statement is effective for annual and interim periods ending after June 15, 2009. The adoption of this standard did not have a material impact on the Company's interim consolidated financial statements.

On April 9, 2009, the FASB issued FASB Staff Position FAS 107-1 (ASC 825-10), Interim Disclosures about Fair Value of Financial Instruments ("FSP 107-1 (ASC 825-10)"). FSP 107-1 (ASC 825-10) amends FASB Statement No. 107, Disclosures about Fair Value of Financial Instruments, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. FSP 107-1 (ASC 825-10) also amends Accounting Principles Board Opinion No. 28, *Interim Financial Reporting*, to require those disclosures summarized financial information at interim reporting periods. FSP 107-1 (ASC 825-10) is for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity may have to early adopt FSP 107-1 (ASC 825-10) if certain requirements are met. FSP 107-1 (ASC 825-10) does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, FSP 107-1 (ASC 825-10) requires comparative disclosures only for periods ending after initial adoption. The adoption of this standard did have a material impact on the Company's interim consolidated financial statements.

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**15. Generally Accepted Accounting Principles in Canada and the United States (continued)**

The impact of the foregoing on the financial statements is as follows:

Interim Consolidated Statements of Operations and Other Comprehensive Income (Loss)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Income (loss) per Canadian GAAP	\$ 4,548,955	\$ (1,499,979)	\$ 1,050,868	\$ (1,450,229)
Equity loss adjustment	-	-	-	(3,093,214)
Deferred exploration expenditures (note 15 (a))	(3,346,846)	(12,738,903)	(10,655,178)	(34,596,824)
Impairment adjustment	-	-	-	4,916,043
Dilution gain adjustment	-	-	-	(11,363,090)
Income (loss) per U.S. GAAP	<u>1,202,109</u>	<u>(14,238,882)</u>	<u>(9,604,310)</u>	<u>(45,587,314)</u>
Other comprehensive loss – Cumulative translation adjustment	-	(9,222)	-	(568,298)
Total comprehensive income (loss)	<u>\$ 1,202,109</u>	<u>\$ (14,238,104)</u>	<u>\$ (9,604,310)</u>	<u>\$ (46,155,612)</u>
Income (loss) per share (basic and diluted)	<u>\$ 0.01</u>	<u>\$ (0.34)</u>	<u>\$ (0.12)</u>	<u>\$ (1.12)</u>

Consolidated Balance Sheets

	September 30, 2009	December 31, 2008
Total assets per Canadian GAAP	\$ 208,981,728	\$ 115,274,121
Deferred exploration expenditures (note 15 (a))	(116,546,997)	(105,891,819)
Total assets per U.S. GAAP	<u>\$ 92,434,731</u>	<u>\$ 9,382,302</u>
Total liabilities per Canadian GAAP	\$ 859,137	\$ 4,295,184
Total liabilities per U.S. GAAP	<u>\$ 859,137</u>	<u>\$ 4,295,184</u>
Shareholders' equity per Canadian GAAP	\$ 208,122,591	\$ 110,978,937
Deferred exploration expenditures (note 15 (a))	(116,546,997)	(105,891,819)
Total shareholders' equity per U.S. GAAP	<u>\$ 91,575,594</u>	<u>\$ 5,087,118</u>
Total liabilities and shareholders' equity per U.S. GAAP	<u>\$ 92,434,731</u>	<u>\$ 9,382,302</u>

**Banro Corporation**  
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**15. Generally Accepted Accounting Principles in Canada and the United States (continued)**

Interim Consolidated Statements of Cash Flows

	Three month period ended September 30,		Nine month period ended September 30,	
	2009	2008	2009	2008
Cash flow used in				
<b>Operating activities</b> per Canadian GAAP	\$ (270,825)	\$ 408,996	\$ (2,454,772)	\$ (883,741)
Deferred exploration expenditures (note 15 (a))	(3,266,340)	(9,544,992)	(12,845,754)	(31,402,913)
<b>Operating activities</b> per U.S. GAAP	<b>(3,537,165)</b>	(9,135,996)	<b>(15,300,526)</b>	(32,286,654)
<b>Investing activities</b> per Canadian GAAP	<b>(10,978,174)</b>	(4,292,506)	<b>(22,805,458)</b>	(5,055,686)
Deferred exploration expenditures (note 15 (a))	3,266,340	9,544,992	12,845,754	31,402,913
Cash restricted by BRC guarantee	-	(5,725,108)	-	(5,725,108)
<b>Investing activities</b> per U.S. GAAP	<b>(7,711,834)</b>	(472,622)	<b>(9,959,704)</b>	20,622,119
<b>Financing activities</b> per U.S. GAAP	<b>2,799</b>	18,204,831	<b>94,703,934</b>	21,108,677
<b>Effect of foreign exchange on cash</b>	<b>3,896,996</b>	(430,676)	<b>3,553,561</b>	(693,006)
<b>Net increase (decrease) in cash during the period</b>	<b>(7,349,204)</b>	8,165,537	<b>72,997,265</b>	8,751,136
<b>Cash</b> , beginning of the period	<b>82,700,069</b>	2,752,612	<b>2,353,600</b>	2,167,013
<b>Cash</b> , end of the period	<b>\$ 75,350,865</b>	\$ 10,918,149	<b>\$ 75,350,865</b>	\$ 10,918,149

Exploration Stage Company

The Company meets the definition of a development stage enterprise under Statement of Financial Accounting Standards No. 7 (ASC 915), Accounting and Reporting by Development Stage Enterprises. As such, the following disclosure of the consolidated summarized statements of loss and deficit and cash flows since inception of the Company are required under U.S. GAAP:

**Consolidated summarized statement of loss and deficit – U.S. GAAP**  
**For the period from inception to September 30, 2009**

Exploration expenses	\$ (142,419,633)
General and administrative expenses	(40,275,506)
Interest income	5,887,179
Other	(17,330,485)
<b>Net loss from inception to September 30, 2009, being the deficit accumulated during the exploration stage</b>	<b>\$ (194,138,445)</b>

**Consolidated summarized statement of cash flows – U.S. GAAP**  
**For the period from inception to September 30, 2009**

Cash flows used in operating activities	\$ (177,826,404)
Cash flows provided by investing activities	11,038,334
Cash flows provided by financing activities	231,597,950
Effect of exchange rates on cash	10,540,985
<b>Cumulative increase in cash from inception being Cash, September 30, 2009</b>	<b>\$ 75,350,865</b>