LATIN AMERICAN MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three Months Ended
March 31, 2007

INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the Audited Financial Statements of the Company for the Three Months ended March 31, 2007. The Company's Financial Statements are prepared in accordance with Canadian GAAP. The Company's reporting currency is Canadian dollars unless otherwise stated. The date of this Management's Discussion and Analysis is May 22, 2007.

DESCRIPTION OF BUSINESS

Latin American Minerals Inc. (the "Company" or "Latin") was incorporated under the Canada Business Corporations Act on December 9, 2003. The Company was listed on the TSX Venture Exchange (the "Exchange" or "TSX-V") on November 22, 2004 as a Capital Pool Company. In November 2005, the Company entered into an agreement to acquire a 75% interest in the La Carolina Property in Argentina. This was an arm's length transaction that received Exchange approval as the Company's Qualifying Transaction on April 4, 2006. Accordingly, the Company is now listed on the TSX-V as a Tier 2 mining issuer under the trading symbol - LAT.

The Company will continue to seek out additional properties and projects of merit that will further enhance shareholder value.

MINERAL PROPERTIES

La Carolina Gold Property - Argentina

The La Carolina property is located in the La Carolina District of San Luis Province in west-central Argentina and is situated at an elevation of approximately 1,600 metres ("m") in the Sierras de San Luis. La Carolina lies 85kilometres ("km") north of the provincial capital, San Luis, and is accessible year-round via paved roads.

The Property consists of three contiguous parcels. One parcel consists of a number of individual and contiguous mining concessions aggregating 2,690 ha. The remaining two parcels are exploration concessions totaling 1,110 ha for an aggregate total of 3,500 ha. The staked exploration concessions have been submitted and are awaiting governmental approval. Within the Property area are five (5) minas of 12 ha each for a total of 60 ha which are owned by independent third parties. These minas are not material to the project; however, the Company is holding talks with the owners to acquire these minas. The Property consists of three contiguous exploration concessions covering approximately 3,500ha. The western and southern concessions are wholly owned by the Company. The eastern concession is held under the terms of an Option Agreement with Solitario/TNR; whereby, the Company has the right to earn a 75% interest in the concession over 5 years by paying annual escalating cash option payments totaling US$ 125,000, expending a total of US$ 1.0 million on exploration with initial vesting occurring on expending US$ 500,000 for 37.5% and the final vesting for an additional 37.5% on expending a further US$ 500,000 and by delivering an annual escalating number of the Company's shares totaling 225,000 shares over 5 years. Because of the area of influence in the Option Agreement the two (2) staked parcels are considered part of the Option Agreement.

The area forms part of the Sierra Pampeanas, an early to mid-Paleozoic metamorphic terrain comprising Cambrian to Devonian metamorphic and intrusive rocks that have been intruded by a northwest-trending belt of Mio-Pliocene volcanic centers with which gold mineralization is associated. This belt is approximately 80km long and about 10km wide in the Province of San Luis but extends further 400km northwest along the Pascua trend that hosts over 30 million ounces of gold in the border with Chile in two deposits Pascua and Veladero owned by Barrick.

The San Luis extension of the volcanic rocks represents the easternmost expression of potassic magmatism associated with the eastern edge of the Tertiary flat slab subduction process under the Andean belt that generated significant mineral deposits in Argentina including Xstrata's Bajo de la Alumbrera (600 million tonnes ("Mt")@ 0.55 % Cu and 0.5gpt Au); Northern Orion's Agua Rica (731 Mt@ 0.62 % Cu, 0.037% Mo and 0.23gpt Au, Northern Orion), YMAD's Farallon Negro (500,000 Oz @ 8gpt Au) and Barrick's Famatina District (porphyries and high sulfidation system, undeveloped) north of Carolina District.

The La Carolina Property hosts low sulphidation epithermal gold mineralization associated to diatremes and dome complex, similar to that at Montana Tunnel (Montana) and Baguio (Phillipines). The Property contains disseminated gold mineralization associated with pyrite-silica alteration in the diatreme breccias related to Tertiary porphyritic dacite and trachyte domes as well as vein-style gold mineralization hosted by the Paleozoic country rocks. Gold porphyry mineralization is also reported from the Diente Verde prospect some 15km to the southeast.

Historically, the district has seen small but significant mineral production. Alluvial gold has been produced from placers in the past and some are still in production today. Limited hard rock production comes from narrow Au-Ag-Pb-Zn vein deposits such as Esperanza and La Estancia which lies on the Property.

Modern mineral exploration started in 1986 by Direccíon de Fabricaciones Militares (DGFM), which identified gold-bearing breccias in Cerro el Porongo and La Estancia. An early drilling program consisting of 1,300m in 13 diamond drill holes identified gold anomalies but the results were never recovered. In 1987-88, DGFM entered into a Joint Venture with Anglo Gold and completed 6,804m of drilling in 52 holes. Some interesting results are:

Diamond Drill Hole	Intersection (m)	Au (gpt)
DDH-21	138.0	2.72
DDH-49	1.5	59.2
DDH-38	18.0	2.44
including	9.0	4.06
DDH-36	6.0	1.34
DDH-45	10.5	2.40
DDH-33	19.5	2.17
DDH-21	1.5	59.2

Anglo Gold terminated the Joint Venture in 1990.

Subsequently, Cameco (1991) drilled 3 shallow holes in La Estancia Area and the best hole intersected 8m averaging 1.16gpt Au. Later that year Cameco dropped their option and the Property was placed in a "Provincial Mineral Reserve" until 1996, when the area came open for staking and the property was staked by Solitario/TNR. In 2003, Solitario/TNR entered into a joint venture with Geocom. In 2004, Geocom drilled 15 diamond drill holes totaling 2,500m. The best results were reported at Mogote intersecting 4m averaging 5.96gpt Au and at El Camino intersecting 4.2gpt Au over 25m.

The results from this historic work indicates the potential for the discovery of both high grade mineralization (Baguio-style) in the contact zone of the diatreme breccias and the basement and bulk (Montana Tunnel style), low grade mineralization related to the core of the diatreme.

During the Q-1 2007, the Company completed reconnaissance lithogeochemical sampling, confirmation soil sampling, confirmation trench sampling and geophysical surveys including Gradient Array and Pole-Dipole Array IP surveys and a magnetometer survey on the Property.

The surveys were carried out by Quantec Geoscience ("Quantec") through their Mendoza office. The IP surveys identified two previously unknown anomalous zones, which flank and are proximal to the Eastern and Western edges of the diatreme complex. The anomalous zones are located in the basement trend north-northeasterly and have each been traced along strike for approximately 3km. The anomalies exhibit variably strong chargeability and resistivity extending down over 250m and exhibit a near vertical dip.

The historic drilling completed by Anglo focused on volcanic breccias near the contact of the diatreme and the basement rocks. Most of their holes were terminated on intersecting the basement rocks and did not intersect the geophysically anomalous zone within the basement recently identified by Quantec**.** Some of the holes that intersected the basement rocks in proximity to the anomalous trend reported no significant gold values; however, a number of holes reported anomalous gold assays up to 60gpt Au over 3.0m, however this intersection only reporting 50% core recovery. The Company has not independently confirmed these historic assays, but the assay results suggests that the anomalous zone is potential variably mineralized and contains encouraging gold values. Each zone extends for over 3km according to geophysical data.

Selected historic trenches excavated by Anglo Gold at La Carolina in the diatreme breccia near the contact with the basement rock, have been chip-channel sampled by the Company to confirm the historical results. Significant assay received to date include:

Mineralized Zone	Intersection (m)	Au (gpt)
Magote:		
Trench 1	30.0	1.0
(including)	12.0	1.6
La Luisa:		
Trench 16	50.0	0.6
Trench 3	60.0	0.5

The assay results received confirm the order of magnitude of the historic results. Trench sampling is ongoing and further assays are pending. La Carolina Project has a 4,000 soil samples database collected by Anglo Gold in 1989 that generated several significant gold soil anomalies that remain untested. LAT collected 64 soil samples from various previously identified soil anomalies to test the historic data and our results returned an average of 20 ppb Au with 4 samples over 100 ppb Au and one of 395 ppb Au, confirming the order of magnitude of the historic data.

During the past five months, the Company has input all the historic data and the recent exploration results into a GIS data base; preliminary interpretation of the evolving La Carolina model suggests that there are potentially two styles of gold mineralization present at La Carolina; one being lower grade mineralization associated with certain phases of the diatreme breccia complex and the second being higher grade mineralization possibly reflecting remobilization, concentration and deposition in the basement rocks in proximity to the contact with the diatreme complex.

On April 18, 2007, the Company signed a drill contract with Patagonia Drill an experienced diamond drill contractor based in Mendoza. The Phase I diamond drill program is scheduled to commence this May and has been designed to test coincident gold and geophysical anomalies related to the contact of the La Carolina diatreme breccia complex with the host altered meta-sedimentary sequence. Currently, a minimum of 2,000m in seven holes is planned. The program will test site specific targets as an initial step in establishing the parameters for the more extensive drill program later in the year.

Cerro Amarillo Copper/Gold Project – Argentina

The Cerro Amarillo copper-gold porphyry Property is located in Mendoza Province, Argentina. The Property, comprising mineral concessions covering 14,222 hectares (ha), is located in the foothills of the central Andes at the southern end of the mineral belt hosting Codelco's world-class Los Bronces and El Teniente copper porphyry mines.

The Company has the option to purchase a 100% interest in the Property by paying the vendor US$1.5 million. To maintain its option LAT is required to make escalating payments totaling US$660,000 over four (4) years (which terminates if the Company exercises its option to acquire the property outright) and undertake a minimum work commitment of US$100,000 in the first year and US$200,000 in the second year of the agreement. In addition, a royalty amounting to 1% NSR capped at US$1.0 million in payable on production.

The Property contains a large, 3km by 2 km alteration zone developed over a strongly-leached copper gold porphyry system and associated skarn mineralization. The system displays classical porphyry copper alteration zoning including a mineralized potassic core with hydrothermal veining and disseminated pyrite, chalcopyrite and magnetite, an intermediate phyllic zone, and an outer propylitic zone with a typical chlorite, epidote, pyrite mineral assemblage. Surface samples collected by previous operators contain up to 1.47% Cu, 0.055% Mo and 0.98 g/t Au within the potassic core. Higher grade copper and gold mineralization also occurs within hydrothermal breccias and skarn bodies peripheral to the Cerro Amarillo porphyry system.

Cerro Amarillo was discovered by St. Joe Minerals in 1970 following up a regional stream sediment geochemical anomaly. Subsequent work has been limited to geological, geochemical, and geophysical surveys which have defined general elements of the mineralized porphyry system. Induced polarization surveys indicate strong, shallow chargeability anomalies associated with hydrothermal breccia and skarn mineralization and deeper-seated anomalies over the mineralized porphyry body. None of the Cerro Amarillo mineral showings or geophysical anomalies have been tested by drilling or systematic trenching and surface sampling.

The limited information developed at Cerro Amarillo to date has partially defined a potentially important, untested porphyry copper-gold system within the productive Los Bronces-El Teniente mineral belt. The data indicate both classical veinlet-controlled and disseminated copper-gold within the core of the porphyry body and higher grade gold and base metal mineralization in peripheral hydrothermal breccias and skarn zones.

During Q-1 2007, representatives of the Company met with the principals of the Las Lenas, the owner of the surface rights, to get permission to construct an access road to the Property. As a result of these meeting, the Company has prepared a short list of qualified environmental consultants as a first step in selecting a consultant to prepare an environment assessment report for the Project. A decision of going forward will be made in Q-2, 2007.

Since the Company has not been able to gain access to the Property, the original option agreement was renegotiated to allow for the US$ 100,000 in exploration expenditures due in 2007 to be deferred to 2008 and the US$ 200,000 exploration expenditure due in 2008 to be deferred to 2009.

Tendal Copper/Lead/Zinc Property - Argentina

The Rio Tendal Property is located in northern La Rioja Province, Argentina and consists of 6 claims, covering 36,488 ha. The Company owns 100% of the Property; however, located within the Property area are a number of small historic mining claims (aggregating about 1% of the property area), which are own by private owners. The Company is currently negotiating with the private owners to acquire these historic mining claims.

On February 1, 2007, the Company purchased a 100% interest in the Tendal Property (comprising 24,296 ha) for CDN$ 52,000.00 paid in cash and 200,000 common shares of the Company. The Company has transferred the Property to its subsidiary Latin American Minerals Argentina S.A.

Subsequently, the Company increased its Property position by staking bringing the total land area to 36,488ha.

The project area is situated between 2,800m - 3,500m above sea level and is accessible by four-wheel drive vehicle and on horseback. The Company plans to rehabilitate a 19 km long access road to the property. This work is expected to start in Q-2, 2007.

The regional geology consists of gneisses, schists and amphibolites (Espinal Formation) dated at 1024 Ma which are overlain by shales, siltstones, volcaniclastic rocks and dirty limestone (Rio Bonete Fm) with Ordovician fossils. Within the shales (Rio Bonete Formation) there is an ophiolitic sequence of pillow lavas, basalts, ultramafic rocks and rhyolites (Cerro Chuscho Formation) dated at 454 Ma (Ordovician). Leucogranites and granite dykes with fluorite mineralization intrude both units which are thought to be Devonian. The former units overlain by Carboniferous and Permian sediments and younger (Triassic? Tertiary?) rhyolitic porphyries, volcanic rocks and volcanic and epithermal breccias.

The Espinal Formation has been known to host galena (lead) mineralization for over a century. Small workings were developed in narrow galena (lead) veins by small adits and shafts in the first half of the 20th century.

The new massive sulphide zone discovered by the Company also lies within the Espinal Formation; however, it received little attention in the past because the earlier explorers were only interested in lead and silver; they had no idea what to do with the sphalerite (zinc) rich massive sulphide zone. The new zone strikes North-South, dips 50° W and has been variably traced along strike for approximately 2km.

The mineralization shows classic characteristics of VMS deposits including synsedimentary features, fine laminated sulfides in the schists and bimodal magmatism. The mineralization is oxidized on surface; however, small artisan workings on the zone have exposed the primary sulphide mineralization to be sphalerite (zinc), chalcopyrite (copper) and galena (lead) associated with pyrrhotite.

In the target area the Espinal Formation is composed of schists but still recognizable through deformation is a sequence of basalts with pillow lavas (now amphibolites), sediments (now schists) and felsic units (now unrecognizable fine grain white units). The massive sulphide lenses are hosted in the sedimentary part of the sequence, within an 80m wide mineralized zone containing up to 11 different layers of massive sulfides constrained by either structural repetition or by repetitive deposition of massive sulfides across the sedimentary sequence. The individual lenses are up to 15m thick and have been traced along strike for several hundred of meters. The variably mineralized material (sediments?) between the layers of massive sulfides ranges from centimeters to several meters in width.

Reconnaissance chip-channel sampling of several of the thicker lenses, returned the following encouraging assay results:

	Thickness (m)	**Cu (%)**	**Pb (%)**	**Zn (%)**	**Ag (gpt)**
	13.1*	0.60	7.12	3.66	30.0
	5.0	1.26	12.48	5.20	76.3
	5.8	1.05	5.63	1.25	42.5
	2.5	2.5	3.58	3.18	99.0
*including	5.0	0.07	10.68	6.28	28.8

The wall rock in contact to the massive sulfides was also sampled. The average grade of the 22 samples from the wall rock returned 24.23 gpt Ag, 0.61 % Cu, 1.91 % Pb and 1.15 % Zn, confirming that the wall rock of the massive sulfides is also mineralized. The average grade of all 64 samples collected (including massive sulfides and wall rock) is 38.8 gpt Ag, 1.28 % Cu, 1.63 % Pb and 1.98 % Zn. Grab samples in quartz-oxide veins in the periphery of the massive sulfide area returned silver assays of up to 1.2 kg Ag per tonne. The massive sulphides exposed on surface are visible on an IKONOS satellite image and graphically illustrates the extent and the stratabound nature of the mineralized horizon.

In Q-2, 2007, the Company intends to commence a Phase I exploration program on the Property consisting of:

- Detailed Geological Mapping of Massive Sulphide Belt at 1:2,000 scale;
- Diamond Saw Channel Sampling of the Massive Sulphides;
- Regional Geological Mapping at 1:10,000 scale and
- Rehabilitating the 19km of access road.

Paso Yobay Gold Property – Paraguay

On February 17, 2007, the Company signed an option agreement with Minas Paraguay and with Minera Guaira to acquire 70% interest in the Paso Yobay Property over three years.

The Property is located in south central Paraguay approximately 150km east of Asuncion, capital of Paraguay, and comprises two mining leases and four exploration concessions covering approximately 27,300 ha held by Minas Guaira and Minas Paraguay.

In the case of ***Minera Guaira***, by paying escalating cash payments totaling US$2.1million over 3 years, expending US$500,000 on exploration in Year 1 plus the delivery of 100,000 shares of Latin American Minerals to Minera Guaira. On vesting a Joint Venture will be formed and if Minera Guaira's interest drop below 15% said interest converts to 3% NSR.

In the case of ***Minas Paraguay***, by paying escalating cash payments totaling US$2.05 million over 3 years, expending US$ 750,000 on exploration plus delivering US$ 50,000 in shares of Latin American Minerals over 2 years. On vesting a Joint Venture will be formed and if Minas Paraguay's interest drops below 5% said interest converts to 5% NPI.

Paraguay is a country with no history of mining, even though it has very good exploration potential. During the 1980's, Amshuzts, an American group, was the first to look for minerals in the country. In the late 1990's, Yamana Resources explored for gold in the alkaline rocks of Paraguay and completed limited drilling of a prospect located approximately 50km east of the Paso Yobay Project, but subsequently abandoned the claims and left the country. The Paso Yobay is an emerging gold camp discovered in 1996 by a treasure hunter and actively mined only in the last 3 years by milling and concentrating free gold in the soils and saprolites. There are no geology maps of the region, which is heavily forested. The sub-tropical weather generated 10m to 25m saprolite weathering profile. Regional geology consists of Jurassic sandstones intruded by mafic dykes related to a suite of Cretaceous mafic alkaline rocks that is located 50km east of the Paso Yobay that was drilled in the 1990's by Yamana Resources. The dykes of the alkaline complex extend for several hundred kilometers and vary from a few meters width to tens of meters in width. The extensive nature of the dykes is related to rifts that cut the continent during the initial stages of the opening of the Atlantic Ocean.

PIMA analysis was done on selected rock samples and the paragenesis found was smectite-montmolleronite. Kaolinite, vermiculite and hallozoicite are also found but considered supergene in this laterite environment. That association corresponds to neutral cool epithermal systems.

Mineralization is found in the contacts of the mafic dykes with the sandstones and consists of very fine quartz and minor calcite veins (hair like) intensively oxidized with free gold, marcasite and relict pyrite. Open spacing in the veinlets clearly indicates very high level system. The width of the vein zone varies from 1m to over 20m and has been traced along a northwesterly-southeasterly strike for 3.7 km by artisan miners. Visible gold along the mineralized zone is strikingly common and we encourage the reader to visit our website to see pictures of some interesting gold samples. The gold is present as free gold with low silver content, suggesting supergene enrichment in the saprolite.

In Q-1 2007, the Company collected representatives grab samples of the mineralized material, which returned up to 10gpt Au; however, the sampling results may not be representative due to the presence of coarse visible gold.

It is difficult to establish an analog during this early stage of this emerging gold camp. The main characteristics of the project can be summarized as follows:

- Regional tectonics controlled by the opening of the Atlantic Ocean and a change from compressional to extensional tectonics in a border of a reef with a hot spot system located nearby.
- Structurally and lithologically controlled along the contact of dykes and wall rock.
- The mineralized zones do not form topographically distinctive outcrops, therefore they are difficult to find without trenching or a geophysical survey.
- The veins and alteration pinch and swell and have an exceptional longitudinal extension (3.8 km minimum).
- Open space veining and Hg, Sb, Ba, P, Cu, Mn and U geochemical anomalies suggests shallow epithermal environment.
- Alteration assemblage indicates cold neutral fluids (smectite).
- Temperatures of fluid inclusions on a quartz vein done by La Plata University of Buenos Aires indicated 250°C.
- There is a spatial relation to alkalic mafic rocks.
- Mineralization consisting of gold, marcasite and pyrite.
- Other minerals related to mineralization are manganese, fluorite and calcite.

These characteristics are typical of the alkalic low sulfidation Stage II shallow veins of Cresson mine, Cripple Creek district. The Cripple Creek system (over 6 million ounces) consists of narrow veins structurally controlled that have great vertical extend (over 1,000m). Cripple Creek is mostly hosted in a diatreme in alkalic mafic rocks and part of the deposit is directly related to lamprophyre dykes. We have not identified a diatreme in Paso Yobay area but a large circular feature in Minas Paraguay is a prime target.

In Q-2, the Company intends to commence an exploration program consisting of a 3,000 line-kilometer airborne magnetometer and radiometric survey, soil geochemical survey followed by a 5,000m diamond drill program.

RESULTS OF OPERATIONS – CURRENT PERIOD

The Company reported a loss of $663,854 during the Quarter versus a $113,617 loss in the same period last year. This amounts to a $506,904 (450%) increase over the three months ended March 31, 2006 which can be attributed primarily to an increase in management, corporate administration, travel and professional fees and the costs of stock based compensation as the Company's level of business activity has increased during the current period since the completion of its Qualifying Transaction. In particular the Company brought on both field and corporate level employees to manage the new levels of exploration activity and the related raising of capital to finance such activities.

SELECTED QUARTERLY FINANCIAL DATA ($)

	Mar. 31 2007	Dec. 31 2006	Sep.30 2006	Jun. 30 2006	Mar.31 2006	Dec. 31 2005	Sep. 30 2005	Jun. 30 2005
Financial results								
Net (loss) for the period	663,854	(536,065)	(85,382)	(337,066)	(113,617)	(119,322)	(53,579)	(48,089)
Basic and diluted loss per share	(.03)	(.03)	(.01)	(.02)	(.01)	(.01)	-	-
Balance Sheet data:								
Cash	2,170,542	2,940,146	41,098	174,553	372,410	486,340	558,362	601,657
Mineral Properties	849,507	381,420	409,791	379,168	101,530			
Total Assets	3,310,663	3,717,289	495,862	615,644	505,997	487,518	562,453	603,026
Shareholders' Equity	2,744,446	3,169,528	419,626	505,005	471,424	426,241	545,563	599.142

CAPITAL RESOURCES

On April 4, 2006, the Company completed a non-brokered private placement of 625,000 units at $0.48 per unit for gross proceeds of $300,000. Each unit consists of one common share and one common share purchase warrant which will entitle the holder to purchase one additional common share at a price of $0.59 for a period of two years from the date of closing of the placement. A finder's fee of $30,000 was paid in connection with this financing.

On December 6, 2006 the Company completed a brokered private placement for gross proceeds of $3,795,000 by issuing 15,244,000 common shares and 7,622,000 warrants to purchase 7,622,000 common shares at a price of $0.35 for a one year period. The agent's commission included cash of $247,600 and an agent's option to acquire up to 1,518,000 common shares exercisable at $0.25 per share within 18 months.

On May 7, 2007 the Company entered in to an agreement for a brokered private placement for gross proceeds of $10,000,000, later amended to proceeds of $12,000,000 from the issuance of 12,000,000 units comprised of one common share and half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of $1.25 until a date that is 12 months from the closing date of the offering. It is anticipated the closing date will be May 31.

LIQUIDITY

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. The Company's activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

As at March 31, 2007, the Company had working capital of $1,802,773 which included a cash balance of $2,170,542.

OUTSTANDING SHARE DATA

a) **Authorized Share capital:** unlimited common shares without par value

b) **Issued and Outstanding:**

	Number of Common Shares	Amount
Balance at December 31, 2006	30,209,000	3,578,600
Exercise of stock options	600,000	60,000
Acquisition of mineral property	200,000	86,000
Proceeds from warrants	25,000	10,750
Balance March 31, 2007	31,034,000	$3,733,350
Proceeds from warrants to May 22, 2007	380,000	179,800
Balance May 22, 2007	31,414,000	3,913,150

Notes:

1) On April 4, 2006, the Company issued 625,000 units at $0.48 per unit for gross proceeds of $300,000. Each unit consists of one common share and one share purchase warrant exercisable into one additional common share at $0.59 for a term of 2 years from the date of closing of the offering.

2) On November 17, 2006 the Company closed a private placement for gross proceeds of $3,350,500 consisting of 13,466,000 common shares and 6,733,000 warrants of the company at $0.25 per unit of 1 common share and ½ warrant. Each warrant is exercisable at $0.35 cents per common share of the company within one year following the closing. A second tranche closing for gross proceeds of $444,500 consisting of 1,778,000 common shares of the company and 889,000 warrants occurred on December 6, 2006. Maison Placements Canada Inc. acted as the agent on the private placement. The agent has received 1,518,000 compensation options, plus a commission of $247,600.

c) Escrowed Shares:

There are 10,120,000 common shares that are subject to a standard 3 year release schedule which allows 10% to be released upon exchange acceptance of the Qualifying Transaction, which occurred on April 4, 2006 and 15% every 6 months thereafter. Accordingly, 4,048,000 common shares have been released from escrow leaving a balance in escrow of 6,072,000.

d) Options:

A summary of the changes in the Company's stock options during the period is set out below:

	Options outstanding	Weighted average exercise price
Balance – December 31, 2006	1,340,000	$0.24
Granted during the period	1,195,000	$0.40
Exercised during the period	(600,000)	$0.10
Balance – December 31, 2006	1,445,000	$0,24

A summary of stock options outstanding at December 31, 2006 is as follows:

Number of Stock Options	Exercise Price	Expiry Date
1,195,000	$ 0.40	Jan. 5, 2012
100,000	$ 0.66	April 20, 2011
640,000	$ 0.25	October 18, 2011
1,935,000		

e) Warrants:

A summary of warrants outstanding at March 31, 2007 is as follows:

Number of Warrants	Exercise Price	Expiry Date
625,000	$ 0.59	April 6, 2008
7,597,000	$ 0.35	November 20, 2007
1,340,200	$ 0.25	May 21, 2008
177,800	$ 0.25	June 2, 2008
9,765,000		

COMMITMENTS

The Company had no significant commitments at the quarter end.

SUBSEQUENT EVENTS

On May 7, 2007 the Company entered in to an agreement for a brokered private placement for gross proceeds of $10,000,000 amended later to proceeds of $12,000,000 from the issuance of 12,000,000 units consisting of 1 common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase 1 common share at price of $1.25 until a date that is one year from the date of closing of the transaction. It is anticipated the closing date will be May 31, 2007.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the Financial Statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with Canadian GAAP and applicable guidelines for exploration stage companies. The policy is consistent with other junior exploration companies which have not established mineral reserves objectively. An alternative policy would be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Another significant estimate relates to accounting for stock-based compensation. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments and liabilities consist of receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short term nature of their maturity.

CHANGES IN ACCOUNTING POLICIES

The Company did not implement any accounting policy changes during the period.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the period.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

(a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. Currently, the Company's portfolio of exploration properties has exposure to predominantly gold, copper, lead and zinc. The prices of these metals greatly affect the value of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metals prices.

(b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management has been successful in accessing the equity markets in the past, but there is no assurance that such sources will be available on acceptable terms in the future.

(c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

(d) The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs. The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

(e) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to undertake its exploration and development activities in the future.

(f) Exploration and development is considerably riskier and ownership interests are less secure in developing countries where the Company operates. Exploration is presently carried out in several countries, including the Argentina and Paraguay. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were domestic. Political risks may adversely affect the Company's existing assets and operations. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and attract joint venture partners, and future mine development opportunities.

(g) Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. A significant portion of the Company's cash and cash equivalents has been held in U.S. dollars. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

(h) The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

(i) Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

(j) Mineral exploration and exploitation involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

(k) The Company's activities are subject to wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying interim financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal control over financial reporting for the Company. Based on an evaluation performed by management of the Company's disclosure controls for the period covered by this MD&A management believes such controls are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

While the Chief Executive Officer and Chief Financial Officer have designed the controls over financial reporting or caused it to be designed under their supervision, to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, the Company does not employ sufficient staff to ensure complete segregation of duties. As a consequence, management rely heavily on the internal review of activities and transactions in summary by management to enhance the level of controls.

The certifying officers have evaluated whether there were changes in controls over financial reporting that materially affected or were likely to materially affect the controls over financial and have concluded there were none.

OTHER INFORMATION

Additional information about the Company is available on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

Historic estimates contained herein do not meet the definition of Mineral Resources as contained in National Instrument 43-101 of the Canadian Securities Administrators. Furthermore, neither the Corporation nor the Qualified Person have reviewed any of the reports or exploration results underlying such estimates and accordingly, such estimates (and any assumptions underlying such estimates) have not been independently verified. As a result, there can be no assurance that such historic estimates are reliable, or that such estimates are indicative of any mineralization which would meet the criteria of Mineral Resources as defined in accordance with National Instrument 43-

101. Consequently, no reliance should be placed upon these historical estimates. However, the Corporation believes that these historical estimates may be indicative of the potential for mineralization on these properties.

The results described herein are exploratory in nature and there can be no assurance that they are indicative of Mineral Resources as defined in accordance with National Instrument 43-101.

CORPORATE INFORMATION

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