LATIN AMERICAN
MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended
December 31, 2009

INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the Audited Financial Statements of the Company for the Year Ended December 31, 2009. The Company's Financial Statements are prepared in accordance with Canadian GAAP. The Company's reporting currency is Canadian dollars. The date of this Management's Discussion and Analysis is April 23, 2010.

DESCRIPTION OF BUSINESS

Latin American Minerals Inc. (the "Company" or "Corporation" 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 and subsequently became an active exploration company.

The Company is an exploration company focussed on the discovery, acquisition and development of base and precious metals projects in under-explored but highly prospective countries of South America.

MINERAL PROPERTIES

Description

General:

The Company is a mineral exploration company focussed on the discovery, acquisition and development of potential mineral deposits in Latin America. Currently, the Company has active exploration projects in Paraguay. Its PasoYobai gold project and Itapoty diamond project are located in Paraguay. During this reporting period, the details of material exploration results on these projects have been presented in several press releases. All of the properties are at various stages of exploration.

Paso Yobai Gold Property covers approximately 15,615 hectares in eastern Paraguay. It is our most advanced exploration project having completed to the end of 2009 the following: 3700 km airborne electromagnetic and magnetometer surveys, 13,586 soil geochemical samples, 622 km ground magnetometer survey, 12 extensive mechanical trenches with 713 samples, and 6.705 metres of diamond drilling including 3300 core holes samples. This work confirmed the discovery of a new gold camp at Paso Yobai. Highlights of the exploration results include the discovery of a regional gold bearing structure 8 kilometres long outlined by a linear magnetic feature. The gold values defining the soil anomaly range from 76 to 1,100ppb gold. A total of 5,199 metres of drillings has been completed on the Property in the first diamond drilling program. The initial 2,000 metres of diamond drilling was completed in 2007 and included the discovery hole DDH-LAT-11, which intersected 6.5 metres averaging 26.64gpt gold, which included two bonanza intersections of 138.39gpt gold and 105.51gpt gold over 0.5 metres. In the Q-1 more than 3000 meters defining the 8 km gold bearing zone in depth was completed. After the second diamond drilling program between March and May, 2009 and in conjunction with the large trenches the Discovery Zone, was defined which is a high grade gold zone traced along strike for approximately 1,200 metres

Within the Discovery Zone there are six (6) small pits established by local miners. Forty (40) rock chip samples were collected from these pits and returned assays from 1 gpt gold to 108 gpt gold. Sampling widths ranged from 0.5 to 2 metres, determined by the narrow artisanal workings. High grade samples grading over 10 gpt gold are associated with calcite, ankerite and minor quartz stockwork hosted in a diabase. Disseminated silica-kaolin hosted Au occurs in the sandstone of the wall rock..

The eleven (11) large trenches excavated by LAT at 100 meter intervals across a 1,000 metre section of the Discovery Zone, are approximately 10 metres wide, 15 metres deep and 40 metres long and are designed to expose the gold bearing zone for mapping and bulk sampling. The trenching exposed coarse visible gold in a new zone not previously recognized in diamond drilling. The gold occurs in brecciated sandstone, which defines the contact zone between the mafic alkalic dyke and the host sandstone, extending into the hanging wall and footwall for up to 5 metres.

Results in Trenches 1 to 7 show a high grade zone exposed in Trench 1 ("T1"), reporting 21.47 gpt Au over 0.5 metres. The zone continues in T2, reporting 61.38 gpt Au over 0.5 metres, 10.08 gpt Au over 0.5 metres in T3, 34.79 gpt Au over 0.6 metres in T4, 55.51gpt Au over 1.0 metre in T5, 7.0 gpt Au over 0.7 metres in T6, and 18.48 gpt Au over 1.3 metres in T7. This continuous high grade zone is surrounded by one or possibly two lower grade shoots, producing a weighted average grade of 8 gpt Au over 7.5 metres in T2 and 11.47 gpt Au over 2.8 metres in T7. The trench results are geologically equivalent to the drilling results published in our January 16th 2008 press release of the Discovery Zone, suggesting the gold mineralization is continuous along strike and to depth.

Trenches 8, 9 and 11 show lower results, as most of the gold bearing zone has been extracted by artisan miners, depleting the high grade shoots down to the bottom of the trenches (about 15 metres). Further excavating to a depth of 25 metres will be carried out to confirm gold mineralization below the level of the artisan working. Drilling results under these trenches returned 12.52 gpt Au over 6 metres, indicating that the gold mineralization continues at depth.

On May 22, 2009, the Company reported that it had completed 13 diamond drill holes totalizing 1,380 metre in the second diamond drill program at Paso Yobai. All of the holes intersected the gold bearing host rock and wall rock alteration associated with gold deposits. Gold was intersected in all holes with values ranging from 100 ppb to 111.15 gpt Au over widths ranging from less than 0.5 metres to 3.8 metres. The most economically significant hole was DDH-LAT-43 which intersected 1.27 metres (from 84.50m to 85.77m) averaging 45.30 gpt Au, including 0.48 metres averaging 111.15 gpt Au, which contains visible gold.

DDH-LAT-43 is located 100 metres northeast along strike from the discovery hole DDH-LAT-11 drilled in 2007 that intersected 6.5 metres averaging 26.64 gpt Au, including 0.5 metres averaging 138.38 gpt Au, 4.0 metres averaging 43.08 gpt Au and 0.5m averaging 105.51 gpt Au.

Based on the encouraging exploration results, management believes the project has excellent exploration potential and has quantified this potential by defining a Potential Mineral Deposit at

Paso Yobai. The Company estimates the 1,200 metre long Discovery Zone may contain a Potential Mineral Deposit ranging from 450,000 to 900,000 tonnes with grades ranging from 4.0 to 7.0 gpt gold. By extension, the entire Paso Yobai gold trend, which has been continuously traced along strike for 8 kilometres could host a Potential Mineral Deposit ranging between 3,500,000 and 7,000,000 tonnes of similar grade.

The majority of the exploration activity was completed on the Discovery Zone, which has been traced along strike for approximately 1,200 metres and is open along strike to the northwest and southeast.

On November 3, 2009 the Company reported finding an additional gold soil trend. On February 17, 2010 the Company announced that this trend had been extended to 11 kilometres in length with three distinct clusters located in a 5,777 hectares area staked by the Company. This trend is not related to the mafic dykes as is the case with the previous find. The Company is proceeding to carry on large trenching work to expose the mineralization and to prepare a drilling campaign on the new targets.

The potential quantity and grade of the Potential Mineral Deposit is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

In the last quarter of the year 2009, bulk samples were sent from the Discovery Zone to metallurgical labs in Vancouver, British Columbia, Canada for several tests. These metallurgical tests were conducted in order to ascertain the nature of the mineralization in terms of grade size distribution and other operating parameters. The tests were conducted by SEPRO and Met-Solve at their laboratory near Vancouver. During the second half of 2009, SEPRO was commissioned to prepare a preliminary design for a 25 tonne per hour gold processing plant that would provide valuable technical and metallurgical information that would complement existing and future drill program data in the preparation of a 43-101 compliant resource study. In advance of gold processing plant production, Latin will install a laboratory scale scrubber, rod mill and Falcon concentrating unit on site in order to test both Mining License and Exploration License material. This laboratory scale unit is expected to be available on site at Paso Yobai in May, 2010.

Salares Potash-Lithium Project

The Salares Potash-Lithium Project is located on the Puna Plateau in northwest Argentina, adjacent to the border with Chile. On June 11, 2009, the Company announced it was transferring the Project to a subsidiary of a new company, Lithium Americas Corp. ("LAC"). The property was transferred for 8,400,000 shares of "LAC", representing approximately 57% of the outstanding shares of that company as of June 11, 2009 plus a promissory note for $1,000,000 which has been paid. A series of LAC brokered private placements have reduced the interest of the Company in LAC to approximately 17%.

Itapoty Diamond Project

The Itapoty Diamond Property is located in Paraguay, approximately 100 kilometres north of Latin's Paso Yobai Gold Project. The Property consists of several contiguous exploration licences. The Company owns or has the option to own 100% interest in the Property; however, under the Mining Act of Paraguay the Company can not own more than 100,000 hectares. In the event that the ongoing exploration defines an area of interest, which results in the exercise of the option to acquire a Property the non prospective ground will be dropped to the extent that the aggregate total area of the Property will not exceed 100,000 hectares.

Diamonds were initially found in the region by local prospectors panning for gold in the 1960s. Some years later, De Beers collected 4 stream samples from the region, of which one contained 6 diamonds and all contained kimberlite indicator minerals ("KIMs"). The Company has collected 177 stream sediment samples at various locations in the region of the initial discovery; 12% of the samples contained diamonds and 53% of the samples contained Kimberlitic Indicator Minerals ("KIMs"). The diamonds are champagne to brilliant white, slightly abraded and several exhibit exceptional crystal structures suggesting minimal alluvial transport. Microprobe work has been completed on the chrome spinels and they were found to fall within the kimberlite stability field. Microprobe work on the garnets is being scheduled.

Regionally, this area is part of the diamond rich Alto Paranaiba Igneous Province ("APIP") of Southern Brazil

Stream Sediment Sampling:

During a stream sediment sampling program 177 samples were collected and 12% of the samples contained diamonds and 53% of the samples contained Kimberlitic Indicator Minerals. Results include:

- 40 white, yellow and champagne macro-diamonds from 0.1 to 0.5 carats
- Kimberlite Indicator Minerals confirmed by microprobe analysis to be G-9 and G-10 garnets and chrome spinel, which fall within the diamond stability field.

Ground Magnetometer Survey:

A ground magnetometer survey was undertaken under the supervision of Mr. John Kieley, P.Geo, Latin's independent consulting geophysicist and "Qualified Person". Mr. Kieley, formerly chief geophysicist for Barrick, provides QA/QC and interpretation of the survey results. To date 490 line kilometres have been completed along grid lines trending N-S established at 100 and 250m intervals. The survey identified:

- Structurally controlled and isolated circular magnetic anomalies characteristic of diatreme intrusives

- Magnetic anomalies coincident with topographic depressions at the headwaters of the diamond bearing streams.
-

Prospecting:

Prospecting of the stream beds discovered 3 individual and distinct occurrences of an altered fragmental rock in the headwater area of three diamond bearing streams.

Tendal Massive Sulphide (Zn-Cu-Pb-Ag) Property

This property is located in the Province of La Rioja, Argentina. The Property is wholly owned and covers approximately 36,400 hectares. Given a dramatic drop in the base metal prices the project was placed on care and maintenance until prices improve.

In May 2009, the Company announced a proposed option of the property; however, agreement was not reached on this transaction and in August the proposal was terminated.

Resources

The Company has approximately $0.9 million in cash on hand as of April 23, 2010. In addition the Company holds 8,400,000 shares of "LAC" which has filed a preliminary prospectus with the intention of creating an initial public offering in the second quarter of 2010. The Company intends to increase its cash position through the sale of a portion of the shares after the IPO. The anticipated funds are intended to allow the Company to be in a financial position to meet its obligations and when augmented with anticipated project funding will provide the resources to further its projects.

The Corporation is focused on its core assets which are the Paso Yobai Gold and Itapoty Diamond projects. Expenditures on these projects are closely monitored and are restricted to specific efforts likely to create and increase shareholder value.

Exploration Expenditures by Quarter

PASO YOBAI				
EXPENDITURES BY QUARTER Quarter Ended				
	Dec. 31 09	Sept. 30 09	June 30 09	March 31 09
Land management and acquisition	$ 658,114	$ 4,640	$ 414,116	$ 28,287
Personnel	136,145	117,208	144,167	117,780
Drilling roads, trench	(1,762)	35,828	372,632	129,708
Other	16,953	14,321	40,488	24,151
	$ 809,450	$ 171,997	$ 971,403	$ 299,926

SALARES POTASH-LITHIUM PROJECT				
EXPENDITURES BY QUARTER Quarter Ended				
	Dec. 31 09	Sept. 30 09	June 30 09	March 31 09
Land mgmt and Acquisition	-	-	$ (785)	$ 16,588
Personnel	-	-	-	61,129
Drilling roads, trench	-	-	-	53,845
Other	-	-	(12,477)	2,109
	-	$ -	$ (13,262)	$ 133,671

The Company sold the project to Lithium Americas Corp. in the June 09 quarter.

ITAPOTY DIAMOND PROJECT				
EXPENDITURES BY QUARTER Quarter Ended				
	Dec. 31 09	Sept. 30 09	June 30 09	March 31 09
Land management and acquisition	$ 61,206	$ 12,054	$ 12,034	$ 4.342
Personnel	4,058	19,793	59,664	57,272
Drilling roads, trench	13,813	6,909	25,102	80,171
Other	(32)	-	240	483
	$ 79,045	38,856	$ 97,041	$ 142,269

The company continues to search for the source of diamonds discovered on the property.

RESULTS OF OPERATIONS – CURRENT PERIOD

The Company recorded net income of $169K for the year compared to a loss of $7,278K in the previous year. There were two main differences in items accounted for that created the substantial reduction in the comparative losses. The prior years results reflected a $4,000K write-down of the Tendal and Carolina properties. The current year results were favourably impacted by the gain on the sale of the Salares project of $1,665K and a further gain from the dilution of the investment of |$1,100K. There were two other principal causes of the loss reduction prior to recording these two items. The cost of stock-based compensation was $700K lower in the current year and administrative expenses were almost $200K lower as a result of reduction of overheads following the worldwide economic downturn and the Company's related attempts to conserve cash; however a foreign exchange loss of $343K compared unfavourably to a gain in the prior year of $185K.

OTHER EXPENDITURE ACTIVITY

The project expenditures were significantly reduced in the middle two quarters of the year and drilling has been in abeyance since the first quarter as a result of the Company's response to the economic climate. During this period reviews of project financing alternatives were under consideration. Exploration costs on the Paso Yobai and Itapoty projects approximated $888,497for the fourth quarter compared to $210,852 for the previous quarter. This represented an increase in activity as a result of fund raising and the contemplation of the probability of monetizing some portion of the shares held in LAC. During the year the Company completed $1,415,659 in exploration of its principle two projects and $104,606 in exploration of the Salares project that was sold. In the previous year the same two projects experienced $2,215,116 in development expenditures and the other projects involved $2,769,473 of expenditures the majority of which was on the Tendal project.

Land acquisition costs were $1,210,167 in 2009 (2008-$936,684).

1. SELECTED QUARTERLY FINANCIAL DATA ($000's)

	Dec. 31 2009	Sept. 30 2009	June 30 2009	Mar. 31 2009	Dec. 31 2008	Sept. 30 2008	June. 30 2008	Mar. 31 2008
Financial results								
Net income (loss) for the period	1,363	(425)	504	(562)	(1,342)	(4,737)	(494)	(704)
Basic & diluted inc/(loss)per share	0.01	(0.01)	0.01	(0.01)	(0.02)	(0.09)	(0.01)	(0.02)
Net loss excluding write-downs, investment gains, and property sale and disposals	(950)	(363)	(668)	(615)	(1.795)	1,297)	(494)	(457)
Balance Sheet data:								
Cash	1,987	1,175	980	2,998	3,992	5,284	3,470	5,645
Mineral Properties	7,857	6,891	6,681	6,061	5,485	4,841	7,720	5,614
Total Assets	13,063	9,943	10,281	9,833	10,279	11,649	12,774	12,640
Shareholders' Equity	12,751	9,590	9,988	9,431	9.942	11,245	12,212	11,935

2. SELECTED ANNUAL FINANCIAL DATA ($000's)

	Dec. 31 2009	Dec. 31 2008	Dec. 31 2007
Net sales	Nil	Nil	Nil
Net income (loss) for the year	880	(7,629)	(5,704)
Basic & diluted inc/(loss) per share	0.01	(0.14)	(0.15)
Total Assets	13,063	10,279	12,649
Long term liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

CAPITAL RESOURCES

As at April 23, 2010 the Company has funding resources made up of cash of $.9M and shares held for sale in Lithium Americas Corp. that have a book value of $2.7M. The Company in 2009 raised $1.5M in fund through a private placement. To further develop its Paso Yobai project, the Company will have to raise funds by selling shares held for sale and/or by further private placements.

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 December 31, 2009, the Company had working capital of $1.9M which included cash of $2M.

OUTSTANDING SHARE DATA	SHARES	$
Balance December 31, 2008	62,371,525	17,292,920
Issued by private placement, net of cash issue costs	10,000,000	1,075,268
Issued for interest in mineral properties	1,287,796	270,475
Issued on exercise of options	841,250	223,829
Share issue costs	-	(285,625)
Balance December 31, 2009 and April 23, 2010	74,500,751	18,587,227

The Company has warrants outstanding for 13,157,902 shares and options outstanding for 5,264,000 shares at April 23, 2010. If exercised, cash of approximately $8,026,782 would be received.

TRANSACTIONS WITH RELATED PARTIES

During the period the Company incurred the following related party transactions

a) Director's fees of $140,156

b) Legal fees of $327,939 to a legal firm, Gowling Lafleur Henderson LLP, of which a director is a partner.

c) $213,455 in consulting fees and expenses to a company, Southampton & Associates, owned by the former CEO and director of the Company.

d) $111,770 in consulting fees and salary paid to a director of the Company.

e) $103,430 in consulting fees paid to an officer of the Company.

f) $109,420 in receivables from a Company the Company had a significant influence over during the year

COMMITMENTS

The Company had no significant commitments at the period end.

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 implemented policies newly required by the CICA regarding the recording and measurement of financial assets and liabilities, reporting of comprehensive income and hedge accounting. The nature of the new policies is described in more detail in the financial statements and had no impact on financial reporting or results for 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, zinc, silver and lead. 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 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.

Transition to International Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Corporation, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Corporation will report interim and annual consolidated financial statements (with comparatives) in keeping with IFRS beginning with the quarter ended March 31, 2011.

The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GGAP to IFRS is a significant undertaking that because of the Corporation's lack of active business will not likely materially affect its reported financial position and results of operations. The Corporation will also continue to monitor standards development as issued by the IASB and the AcSB as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of its adoption of IFRS. Additional disclosures of the key elements of the transition plan and progress of the project will be provided as the information becomes available.

The Company has started its preparation for this transition. To date, the Corporation has completed an assessment of the key areas where changes to current accounting policies may be required. Analysis will be required for all current accounting policies; however, the initial key areas of assessment include:

- Stock-based compensation,
- Accounting for income taxes, and
- First-time adoption of International Financial Reporting Standards (IFRS 1)

As the analysis of each of the key areas progresses, other elements of the IFRS implementation plan will also be addressed including: the implication of changes to accounting policies, processes for financial statement note disclosures on information technology, internal controls, contractual arrangements and employee training. In this regard the key personnel have been trained in IFRS and as a result they have identified the key areas for which changes may be required. As this Company is a CPC and its main asset is Cash the change over from Canadian GAAP to IFRS will be minimal except for some additional note disclosures. During 2010 the Company will continue with its quantification of the financial statements impact of changes in accounting policies as it relates to IFRS.

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 relies 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 reporting 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 except as required by applicable securities laws. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this Management Discussion and Analysis. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. 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 Company nor the Qualified Person has 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 Company 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

Head Office:	357 Bay Street, Suite 602 Toronto, Ontario. M5H 2T7
Directors:	Richard Boulay Paul Fornazzari Theodore Freedman Harvey McKenzie Gary O'Connor Waldo Perez Patricia Sheahan
Officers:	Richard Boulay, Chairman Waldo Perez CEO and Sr. V.P. Exploration Raymond E. Mitchell, CFO Paul Fornazzari, Corporate Secretary
Auditor:	Ernst and Young LLP 222 Bay Street Toronto, M5J 1A1
Project Offices:	Argentina Ricardo Videla 8046 La Puntilla Lujan 5505 Mendoza Paraguay Av. Aviadores Del Chaco 2996 Asuncion Paraguay