



LATIN AMERICAN  
MINERALS INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For The Six Months Ended**  
**June 30, 2008**

## **INTRODUCTION**

The following discussion of performance and financial condition should be read in conjunction with the Audited Financial Statements of the Company for the six months ended June 30, 2008. 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 August 25, 2008.

## **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 became listed on the TSX-V as a Tier 2 mining issuer under the trading symbol - LAT.

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.

In May 2007, the Company successfully raised \$12 million by way of a private placement, which was a bought deal co-lead by Maison Placements, Canaccord Capital Corporation and Pacific International Securities Inc.

In August 2008, the Company successfully raised \$4,013,400 by way of a private placement which was a bought deal co-lead by Dundee Securities Limited and PowerOne Capital Markets Limited.

## **MINERAL PROPERTIES**

### *Description*

#### **General:**

The Company is a mineral exploration company focussed on the discovery, acquisition and development of base and precious metals projects in Latin America. Currently, the Company has three active exploration projects; notably, Paso Yobai gold property in Paraguay, Tendal massive sulphide property in Argentina, Esmeralda gold property in Colombia, Puna potash project in Argentina, and Capiibary diamond project in Paraguay. The recent details of the exploration completed on the projects have been detailed in several press releases.. All of the properties are at various stages of exploration.

**Paso Yobai Gold Property** covers approximately 15,300ha in Paraguay and is the most advanced project having completed airborne electromagnetic and magnetometer surveys, a soil geochemical survey and 5,000m of diamond drilling. This work confirmed the discovery of a new gold camp. Highlights of the exploration results include the discovery of a regional gold bearing

**LATIN AMERICAN MINERALS INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Six Months Ended June 30, 2008

structure 6km long outlined by a linear magnetic feature and a strong core gold soil geochemical anomaly measuring 200m wide and 5,000m long. The gold values defining the core soil anomaly range from 76 to 1,100ppb Au. The initial 2,000m of diamond drilling was completed in 2007 and included 6.5m averaging 26.64gpt Au, which includes two bonanza intersections of 138.39gpt Au and 105.51gpt Au over 0.5m each. The remaining 3,000m was completed in Q-1, 2008 and the assay results are pending. Coarse gold is visible in artisan workings and drill core.

The Phase I drilling program consisted of 35 holes totalling 5,163.8m, which were designed to intersect the gold bearing mafic dyke on sections established at approximately 200m along strike for 6,000m. Nine (9) holes have intersected economically significant gold values, including several holes reporting coarse visible gold. The remaining holes intersected the gold bearing zone and returned either geochemically anomalous gold values from 0.1 gpt to 1gpt Au or no significant gold values. Currently, seven (7) holes define the Discovery Zone, which has been traced along strike for approximately 2,000m.

The following table summarizes the significant assay results (true widths) for the holes currently defining the Discovery Zone.

Drill Hole Number	Core Intersection			Grade gpt Au
	From (m)	To (m)	Interval (m)	
DDH-LAT-1 including	92.00	102.00	10.00	2.17
	92.00	94.00	2.00	5.96
DDH-LAT-3	112.00	113.00	1.00	13.00
DDH-LAT-6 including	112.00	118.00	6.00	12.52
	112.00	116.00	4.00	18.51
DDH-LAT-11 including	89.20	92.80	3.60	4.01
	89.20	90.20	1.00	10.71
including	99.00	105.50	6.50	26.64
	100.50	104.50	4.00	43.08
	100.50	101.00	0.50	138.38
	104.00	104.50	0.50	105.51
DDH-LAT-12	62.50	63.90	1.40	0.40
	66.80	68.80	2.00	0.38
	85.90	86.95	1.05	3.49
DDH-LAT-19	119.30	120.35	1.10	1.36
DDH-LAT-23	84.93	85.40	0.47	13.66
	100.00	100.80	0.80	0.76
	105.00	114.00	9.00	0.71
	103.90	105.00	1.10	1.25
	107.00	108.00	1.00	1.58

Of additional potential economic significance are the results of DDH-23. This hole was drilled to test the Discovery Zone and intersected the Paso Yobai mafic dyke reporting 13.66gpt Au over 0.47 m. The hole was terminated in the footwall sandstone containing disseminated pyrite, which returned 0.71gpt Au over 9m. The presence of pyrite + gold in the sandstone is significant as the presence of pyrite, a conductive sulphide mineral, may be the cause of the large electromagnetic anomaly located immediately south and parallel to the Paso Yobai Gold Bearing trend. This anomaly is approximately 4km long and 1km wide and could represent a new gold discovery at Paso Yobai.

### **Supplemental Events:**

Additionally, Latin American Minerals has completed a detailed ground magnetometer survey over the Paso Yobai gold tend, totalling 220 line kilometres. The magnetic data clearly identify the 2km long Discovery Zone as an area exhibiting strong demagnetization due to the intense kaolin alteration of the host rocks. The magnetic data will be used to target areas of intense alteration for follow up drilling. Holes DDH-LAT-01, -03, -06 and -11 were collared in this area of intense alteration.

Within the Discovery Zone there are 6 artisan pits where 40 rock chip samples returned assays from 1 gpt Au to 108 gpt Au. Sampling widths ranged from 0.5 to 2m, determined by the narrow artisanal workings. High grade samples grading over 10 gpt Au consist of calcite, ankerite and minor quartz stockwork hosted in a diabase and disseminated silica-kaolin hosted in the sandstone of the wall rock. Low grade samples consist of sandstones or diabase with minor veining.

LAT has excavated the first of ten large pits on the Paso Yobai Discovery Zone for detailed channel and bulk sampling, exposing 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 5m.

The initial pit is approximately 10m wide, 40m long and up to 15m deep. Channel and bulk sampling of the pit is underway. Over the next 45 days, the Latin American Minerals estimates that a total of 10 pits will be excavated along the entire length of the 2,000m to expose the Discovery Zone, which is open to depth and along strike. Overburden at Paso Yobai is variably up to 3 metres thick and, once removed, the gold bearing zone has been traced from surface by trenching and diamond drilling to a depth of 100 metres. In Phase II, the historic artisanal pits on the Paso Yobai gold trend will be cleaned up and expanded to allow for detailed channel and bulk sampling.

Test sampling of the local tailings ponds returned encouraged by assay results from 43 samples of 18 tailings ponds on its Paso Yobai gold property. The tailing ponds are dry, coarse grained rejects from gravity plants and average 55m in diameter. Assays ranged from 0.1 gpt to 102.7 gpt of gold.

The tailing pond assay results confirm surface continuity of the gold bearing zone along strike of the Discovery Zone, which has been traced by diamond drilling to a depth of 100m returning 26.64 gpt Au over 6.5m, including 43.08 gpt Au over 4m. Additionally, the high gold grades detected in

**LATIN AMERICAN MINERALS INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Six Months Ended June 30, 2008

the tailing ponds strongly suggest a significant loss of the fine gold as a result of the primitive milling and gravity techniques used by mill operators in the area.

The table below summarizes the tailing pond assay results including Minas Paraguay (Dump 1) and Minera Guira (Dump 2), the only fully-permitted mining operations on the Paso Yobai property. Also included are assay results from 15 other tailing ponds of local mill operators who processed gold bearing material from a 300 metre long trench excavated on the gold bearing zone immediately south along trend from the Discovery Zone.

Ponds	Diameter(m)	Sample #	Depth of Sample	Au gpt	Ponds	Diameter(m)	Sample #	Depth of Sample	Au gpt
1	148	10328	2.5	1.15	9	88	10350	2.1	2.91
		10329	3	0.3			10501	1.7	0.29
		10330	3.1	0.11	10	36	10502	1.9	4.7
2	90	10331	3	0.42			10503	1.3	5.4
		10332	2.5	0.55			10504	1.5	8.15
3	39	10333	1	4.55	11	16	10505	1	2.94
		10334	1.3	3.08			10506	1.1	4.32
		10335	1.3	2.37	12	43	10507	1	0.57
4	36	10336	1	10.2			10508	1.2	0.67
		10337	1.2	9.64			10509	1.5	3.6
5	32	10338	1.1	9.97	13	28	10510	1	15.12
		10339	1	0.85			10511	1	12.38
		6	48	10340	1.1	6.51	14	22	10512
10341	1.2			7.66	10513	1.5			0.33
7	261	10342	0.7	6.01	10514	2.1			0.3
		10343	1	4.59	10515	1.7	1.14		
		10344	0.6	54.32	15	24	10516	2	3.82
10345	1	6.64	16	10			10517	1.2	3.26
10346	0.6	102.73			10518	1.9	0.69		
8	37	10347			1.2	2.86	10519	2	1.28
		10348	1	8.1	17	19	10520	1.2	1.63
		10349	1	1.61			10521	1.5	8.17
							10522	1	2.39

In order to estimate head grades of the gold bearing material delivered to the local mills by the artisan miners, Latin American Minerals collected three mini-bulk samples of approximately 60kg each from pits excavated by the company to expose the mineralized system. The samples contain high grade, medium grade and low grade material. Alex Stewart Assay Laboratories carried out a detailed screen assay analysis of these materials to determine the head grades for the various size fractions tested. Results are as follows:

**1. Sandstone (host rock of the mafic dyke):**

Screen	Weight %	Au gpt	Distribution %
+30	8.54	0.37	1.61
+50	29.50	0.40	5.93
+70	8.26	0.44	1.81
+100	10.76	0.47	2.56
+140	10.14	0.51	2.61
+200	6.04	2.33	7.09
-200	26.76	5.83	78.39
	<b>100.00</b>	<b>1.990</b>	<b>100.00</b>

**2. Mafic Dyke (medium grade):**

Screen	Weight %	Au gpt	Distribution %
+30	6.12	15.33	10.22
+50	18.12	23.14	47.64
+70	8.90	8.67	8.41
+100	9.80	9.50	10.14
+140	8.82	5.18	4.98
+200	6.80	4.66	3.45
-200	41.44	3.36	15.16
	<b>100.00</b>	<b>9.181</b>	<b>100.00</b>

**3. Mafic Dyke (high grade):**

Screen	Weight %	Au gpt	Distribution %
+30	5.06	138.75	10.45
+50	22.60	97.20	32.71
+70	10.20	94.49	14.35
+100	10.62	93.09	14.72
+140	8.42	78.69	9.87
+200	5.48	75.43	6.15
-200	37.62	20.98	11.75
	<b>100.00</b>	<b>67.165</b>	<b>100.00</b>

These results show that most of the gold is very fine. In the sandstone, up to 89% of the gold is recovered at -200 mesh, and in the mafic dyke between 11 % and 15% of the gold is recovered at -200 mesh and 36% of the gold is recovered at -100 mesh. Only greater than 100 mesh material can be recovered from the gravity circuits of local mill operators, explaining why their recovery of fine gold has been low.

**Tendal Massive Sulphide (Zn-Cu-Pb-Ag) Property** is located in the Province of La Rioja, Argentina and covers approximately 36,400ha. It is our flagship property in Argentina. The project encompasses an historic mining district known for its production of lead and silver. Contained within the limits of the property are a number of small historic minas (mines), covering less than 1% of the project area. Four of the mines, covering 36ha are wholly owned by the Company and five (114ha) are held by Teck Cominco Limited. Geological mapping, rock chip geochemical sampling and diamond saw channel sampling have identified a mineralized horizon on the property up to 80m wide and 2km long. The mineralization is stratabound and consists of a number of stacked massive sulphide lenses along this mineralized zone. Significant channel sample

results across individual lenses included 27m averaging 3.7%Zn, 0.11% Cu, 2.95%Pb and 13.69gpt Ag. This interval included a higher grade intersection reporting 7.5m averaging 5.69%Zn, 0.34%Cu, 1.75%Pb and 34.4gptAg. A second lens returned 12m averaging 6.43%Zn 1.04% Cu, 1.16% Pb and 111.76gpt Ag. A 5,000m diamond drilling program commenced in late March 2008 to follow-up on the encouraging channel sample results. As at May 15<sup>th</sup>, sixteen holes have been drilled totalling 1,800m.

### Supplemental Events:

On June 26, LAT announced that it had completed 2,000m of a 5,000m diamond drill program designed to test the massive sulphide mineralization exposed on surface on the Verdiona, Yegua Pircada, Las Catitas and El Alto Zones, The following summarizes the significant drill results.

The **Verdiona** massive sulphides are stratabound and confined to a horizon, which can be traced on surface for almost 2km and is up to 80m true width. The mineralization occurs as numerous individual stacked lenses of massive sulphides, which strike northerly and dip westerly at 40 degrees and range from 1 to 35m thick (true width). The mineralization is variably oxidized on surface comprising oxides of copper (chalcocite and malachite) and lead along with sphalerite and specularite. Diamond saw channel sampling has been completed across the entire length of the Verdiona massive sulphide trend. The significant assay results include:

Trench	Interval (m)	Zn%	Pb%	Cu %	Ag (ppm)
TR-4	18.5	4.28	0.75	0.7	7.45
Including	6.0	8.66	2.24	0.7	16.00
TR-5	29.0	4.44	2.75	0.1	12.71
Including	7.5	7.23	1.75	0.34	34.00
Including	10.0	3.01	4.63	0.02	11.00
TR-15	13.21	3.65	0.51	0.64	29.01
Including	5.07	6.26	0.98	0.08	27.18
TR-22	25.0	3.91	0.18	0.33	5.76
Including	16.0	5.98	0.28	0.49	8.83

The **Yegua Pircada** massive sulphide discovery is located 3.6km west of the Verdiona Zone. The sulphides are stratabound and occur within limestone unit that is 40m wide and trends N-S, parallel to the Verdiona Zone. Massive sulfide mineralization has been traced on surface for over 700m in two main mineralized zones located at the hanging wall and footwall of the limestone unit. Each mineralized zone is between 8-12m wide and is comprised of several lenses up to a meter wide and many smaller parallel lenses. Diamond saw channel sampling has been completed across the entire length of the Yegua Pircada massive sulphide trend. The significant assay results include:

Trench	Interval (m)	Zn%	Pb%	Cu %	Ag (ppm)
Tr-3	4	6.17	1.40	0.01	8.72
Tr-4	8	3.09	9.38	0.03	91.02
Tr-5	8	1.90	5.51	0.01	45.16

**Las Catitas** massive sulphide discovery is located 400m south of the Verdiona Zone. Las Catitas is a complex mineralized zone approximately 300m wide. Mineralization is found in lenses similar to

the ones exposed on the Verdiona Zone, in veins and disseminated in the host rock. Massive sulphide lenses are up to 3m wide and have been traced in outcrop for approximately 50m. Chip channel sampling returned 3.33% Cu, 0.37% Zn and 25gpt Ag over 3m. Host rock (sandstone) adjacent to the mineralized lenses/veins contains disseminated sulphides. Trenches 39 and 40 in the following table shows the **extension of disseminated mineralization in the wall rock**:

Trench	Interval (m)	Zn%	Pb%	Cu %	Ag (ppm)
Tr-39	27.5	0.66	0.7	0.24	4.95
including	4.0	1.22	0.3	0.2	21.68
Tr-40	36.0	0.59	0.24	0.22	3.83
including	6.0	1.3	0.07	1.12	18.42

**El Alto** massive massive sulphide discovery is located 700m west of the Verdiona Zone and consists of five parallel E-W vein breccias between 0.4 and 1m wide. The veins can be traced in outcrop for approximately 50m, at which point, the vein-zone is covered by overburden. Selected grab samples returned to 9% Cu and 0.2% Zn.

**Esmeralda Gold Property** is a green-fields project located in Colombia and covers 30,000ha and is located in the Cauca Department of Southern Colombia, a major gold camp reporting current and historical alluvial gold production and lode gold production dating from the 15<sup>th</sup> Century. Latin American Minerals has the right to acquire 100% of the property by making escalating cash payments totalling \$452,500 over 4 years and granting a 3% Net Profits Interest.

Esmeralda is located on the Romeral fault system, which hosts the Marmato Gold Project (7.0 million ounces) discovered by Colombia Goldfields and the B2Gold Gramalote Project (2.12 million ounces). The discovery of gold-bearing porphyries at Esmeralda is significant given the many similarities to other major deposits along the Romeral fault. La Colosa, a 12.9 million ounce discovery recently announced by Anglo Gold Ashanti, is 300 kilometres northeast of Esmeralda and is indicative of the gold production potential of region.

Geology of the Esmeralda project is composed of gold-bearing porphyries intruding sandstones. Mineralization was found in porphyries, polymetallic veins near-by the porphyries, breccias and in the sedimentary units in contact with the porphyries. The area is densely vegetated. The contacts and size of the individual intrusive rocks and sandstones have frequently to be interpolated from the few creeks and crevasses that expose hard rocks.

To-date, three distinct gold bearing porphyries have been discovered by Latin American Minerals at Esmeralda: Tunnel, Amatista and Los Planes. All are of Tertiary age and have similar geologic settings as the major deposits mentioned above. A total of 1016 rock-chip samples have been collected covering the Property and 57% of them have detectable gold. A total of 280 stream sediment samples were collected and 42% of them have detectable gold.

**Tunnel Target:**

Two exploration tunnels were driven in the 1950's to explore the contact between the dacite porphyry and the sandstones. Historical records indicate that the tunnels intersected and crossed a

brecciated contact zone, up to 60 metres wide, containing sphalerite (zinc sulphide) veins and quartz veins systems. Typically, the individual veins within the larger vein system are narrow, but report bonanza grades of 280gpt Au; however, widths of up to 2 metres have also been reported. Latin American Minerals is currently excavating the collapsed entrances and refurbishing the tunnels so that detailed underground mapping and sampling can be completed.

On surface the mineralized contact between the dacite porphyry and the sandstone is difficult to follow because of heavy forest cover and lack of outcrop. The presence of abundant pyrite in the sandstones, however, generates a halo covering approximately 16km<sup>2</sup>, which provides an excellent marker to focus exploration activity. Latin American Minerals collected 284 samples from surface outcrops along the contact between the porphyry and the sandstones.

Grab samples from the *sphalerite veins* returned 52gpt Au and 38gpt Au from veins 5cm to 50cm wide. Rock chip samples from the *contact breccia zone* returned 15.7gpt Au across 2.0m, 4.50gpt Au across 6.9m and 3.20gpt Au across 2.0m. Rock chip sampling of the porphyry returned 6.0gpt Au across 2.0m, a channel sample returned 1.0 gpt Au across 4.0m and grab samples ranged from 1gpt to 1.7gpt Au.

**Amatista Target:**

Amatista is the least known of all the targets; only 24 samples were collected and almost all (22) samples returned anomalous gold values averaging 0.16gpt Au. The boundaries of the mineralization are unknown. Current exposures with sulfides, brecciation and veinlets cover a rectangular area covering 1.8km<sup>2</sup> (300m x 600m). An old tunnel was recently discovered but the entrance has collapsed.

Amatista is intensively altered dacite porphyry in contact with pyritized sandstones. Mineralization consists of pyritization, veins and breccias hosted in the contact of the porphyry and the sandstone. Rock chip sampling of the intensively altered porphyry and the altered sandstone with pyrite and quartz veinlets returned 2.0gpt Au over 8m and 0.91gpt Au over 4m respectively.

**Los Planes Target:**

Los Planes measures 1300m x 600m and consists of intensively altered and brecciated andesitic porphyry. Alteration and brecciation appear to be controlled by a north-easterly trending structure which also controls and hosts the Tunnel target. A total of 234 samples were collected at Los Planes and 149 samples have detectable gold. Significant rock chip sample results include 0.1gpt Au across 200m and 0.5gpt Au across 2.0m.

The company plans to carry on a magnetic survey in the property, detailed PIMA alteration studies, trench sampling and open up the two known tunnels to expose mineralization to define a drill program.

**Supplemental Events:**

**Puna Project:**

The Company has staked three potash projects in the Puna region of northwestern Argentina known for its surface evaporite deposits containing potash, lithium, borax and other minerals.

The Company has a 100% interest in approximately 100,000 hectares, which hosts several producing surface potash, lithium and borax mines.

The properties occur in an ideal geologic environment for the formation of potash deposits, not only on surface but also at depth as a result of the evolution of the individual evaporite basins in the region.

Given the surface nature of the mineralization and proven process technology, LAT believes these projects can be fast tracked through exploration and, if warranted, into production, to meet the immediate and growing world demand for potash.

### **Capiibary Project:**

The Capiibary Diamond Property, located approximately 100 km north of Latin American's Paso Yobai Gold Project, covers approximately 165,000ha (1,650km<sup>2</sup>). The majority 160,000ha are 100% owned by Latin American Minerals. On the remaining 5,000ha, Latin American has an option to earn a 70% interest by making escalating cash payments totalling \$1.5 million over 4 years and, subject to standard dilution provisions, Latin American can earn up to a 100% interest with the vendor retaining a 3% gross sales royalty.

Diamonds were initially found in the Capiibary 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"). Recently, Latin American collected 16 samples at various locations in the region of the initial discovery; four samples contained diamonds and 14 contained KIMs which include chrome spinels and garnets. 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.

Latin American's diamonds were recovered during reconnaissance sampling of two small streams, within 3 km of the headwaters defining the small drainage basin covering approximately 25km<sup>2</sup>. The source area for the streams covers a north-westerly trending area measuring 12 km long and 1.5 km wide and defines the south-western limit of the drainage basin. Locally, this north-westerly trend defines a regionally structural corridor which is known to contain mafic intrusive complexes and linear magnetic features identified by regional airborne magnetics. Regionally, this area is part of the diamond rich Alto Paranaiba Igneous Province ("APIP") of Southern Brazil.

**LATIN AMERICAN MINERALS INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Six Months Ended June 30, 2008

***Exploration Expenditures by Quarter***

<b>LA CAROLINA</b>					
EXPENDITURES BY QUARTER					
Quarter Ended					
	June 30, 08	March 31	December 31	September 30	June 30
Land mgmt and acquisition	\$ 138,224	\$ 594	\$ 2,100	\$ 50,500	\$ 17,000
Personnel	-	-	-	60,200	59,800
Drilling roads, trench	-	-	7,000	484,000	-
Other	3,384	-	100,758	202,780	201,629
	\$ 136,608	\$594	\$109,858	\$797,480	\$278,429

Activity on this property was suspended and amounts expended prior to 08 were written off in 07. In 08 the property was joint-ventured.

<b>TENDAL</b>					
EXPENDITURES BY QUARTER					
Quarter Ended					
	June 30, 08	March 31	December 31	September 30	June 30
Land mgmt and acquisition	\$ (123,000)	\$ 173,000	\$ 16,822	\$ 50,000	\$ -
Personnel	16,000	292,000	79,356	36,400	32,400
Drilling roads, trench	691,786	178,214	104,089	116,000	79,900
Other	207,706	34,000	308,214	63,661	36,566
	\$ 792,492	\$ 677,214	\$ 508,481	\$ 266,061	\$148,866

Significant delays were experienced in 07 in commencing the drilling and in 08 weather problems caused cost overruns approximating \$500,000. When results of drilling completed in the second quarter are reviewed and funds can be determined to be available a new project budget or project strategy will be completed.

<b>PASO YOBAL</b>					
EXPENDITURES BY QUARTER					
Quarter Ended					
	June 30, 08	March 31	December 31	September 30	June 30
Land mgmt and acquisition	\$ 287,000	\$ 99,310	\$ 689	\$ 10,000	\$ 329,000
Personnel	300,000	215,000	140,267	87,000	77,000
Drilling roads, trench	334,344	453,559	455,416	-	-
Other	183,702	310,900	506,250	477,697	288,059
	\$1,105,046	\$1,068,769	\$ 1,102,622	\$ 574,697	\$ 694,059

Drilling commenced in the fourth quarter of 07 and results were reviewed in early 2008 with a new programme and budget to be reviewed and established after funds are made available..

**LATIN AMERICAN MINERALS INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Six Months Ended June 30, 2008

<b>ESMERALDA</b>					
EXPENDITURES BY QUARTER					
Quarter Ended					
	June 30, 08	March 31	December 31	September 30	June 30
Land mgmt and acquisition	\$ -	\$ 91,000	\$ 13,500	-	-
Personnel	110,000	21,000	9,259	-	-
Drilling roads, trench	-	-	-	-	-
Other	78,663	116,476	-	-	-
	\$ 188,663	\$ 228,476	\$ 22,579	-	-

This project was acquired in the fourth quarter of 2007 and no development programme has been developed.

**RESULTS OF OPERATIONS – CURRENT PERIOD**

The Company recorded a second quarter loss of \$494,760 compared to a loss of \$1,071,071 in the second quarter of the previous year. The losses quarter over quarter for the last four quarters vary significantly as a result of varied amounts of large periodic expenses such as property write-downs, stock-based compensation costs, and interest and foreign exchange. The following table is provided to indicate the netted down expense that represents the operationally related costs that are comparable.

<b>OPERATIONAL EXPENSE ANALYSIS</b>				
EXPENDITURES BY QUARTER \$1,000'S				
Quarter Ended				
	June 30/08	March 31/08	Dec. 31 30/07	Sept. 30/07
Reported loss	494	704	948	3,015
Stock compensation	211	437	175	785
Write downs of property			208	1,794
Interest & foreign exchange loss (gain)	(411)	(457)	(217)	51
Operating loss	684	724	782	385

The Company was operating 2 active mining camps in the last quarter of 07 and first two quarters of 08 and expenses have been quite comparable after adjusting for the above items. As cash has been reducing activities have been declining to conserve cash and as a result some decline in costs have a been a result. The foreign exchange differences have been quite significant as our Paraguayan subsidiary on conversion to Canadian funds for financial reporting benefits from the large runnup in the value of Paraguayan currency..

**OTHER EXPENDITURE ACTIVITY**

During the last three quarters the level of activity at the Tendal and Pao Yobai camps has been relatively flat with the former running at expenses rising form the \$500,000 to \$700,000 level per

**LATIN AMERICAN MINERALS INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Six Months Ended June 30, 2008

quarter as the camp prepared to drill last year and completed drilling in the first two quarters of this year as the drilling programme completed. The Pao Yobai camp continues to run at expenses just over \$1,000,000 in each of the last three quarters as the emphasis has been on developing this property.

With cash on hand of approximately \$3,400,000 resources are not sufficient to continue these level of expenditures and as a result expenditures are anticipated to decline on the properties in the third quarter. Cash raised in the third quarter will be combined with the existing cash to determine new programmes to further the Paso Yobai project as a priority.

**SELECTED QUARTERLY FINANCIAL DATA (\$)**

	June 30 2008	Mar. 31 2008	Dec. 31 2007	Sept. 30 2007	Jun.30 2007	Mar. 31 2007	Dec. 31 2006	Sep.30 2006
<b>Financial results</b>								
<b>Net loss for the period</b>	494,026	704,141	944,337	3,025,002	1,071,071	663,854	641,321	85,382
<b>Basic and diluted loss per share</b>	0.01	0.015	0.03	0.07	0.02	0.03	0.03	0.01
<b>Balance Sheet data:</b>								
<b>Cash</b>	3,470,141	5,645,374	7,923,701	8,900,182	11,838,594	2,170,542	2,940,146	41,098
<b>Mineral Properties</b>	7,720,067	5,614,217	3,539,854	1,905,991	2,038,088	849,507	381,420	409,791
<b>Total Assets</b>	12,773,922	12,639,851	12,668,477	11,823,058	14,350,891	3,310,663	3,744,688	495,862
<b>Shareholders' Equity</b>	12,212,213	11,935,194	12,038,675	11,370,918	13,576,373	2,744,446	3,170,216	419,626

**COMPARISON OF SIX MONTH OPERATIONS AND CASH FLOWS**

<b>FINANCIAL DATA</b>			
<b>BY YEAR \$1,000's</b>			
<b>SIX MONTHS ENDED JUNE 30</b>			
	2008	2007	
Cash	3,470	11,839	
Mineral properties	7,720	2,039	
Equity	11,935	13,577	
Reported loss	1,199	1,735	
Stock compensation	648	592	
Interest and foreign exchange loss (gain)	(788)	75	
Operating loss net of F/E. and stock comp.	1,059	1,068	
Cash flow	(4,453)	8,898	

The preceding chart provides a dramatic picture of the changes in company's rate of activities and the related impacts on resources and costs. The period ended June 30, 2007 reflects the costs associated with operating offices in 7 locations during the year and the associated building up of the infrastructure and the raising of funds required to actively explore projects. The current year, as reflected in the cash outflow, was quite a different period as the Company was engaged in the drilling programmes for which the cash was raised.

## **CAPITAL RESOURCES**

On May 31, 2007, the Company completed a brokered private placement for gross proceeds of \$12,000,000 by issuing 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 May 31, 2008. The issuance costs of the placement were \$1,365,190.

These funds were raised to explore the properties currently under the drilling programmes discussed above and to acquire the Esmeralda property. These funds will require augmentation to complete defining the resources being explored. These funds were raised in the last half of the month of August 2008 and the programmes are under development to allocate the funds on the appropriate development activities.

## **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.

**LATIN AMERICAN MINERALS INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Six Months Ended June 30, 2008

As at June 30, 2008, the Company had working capital of \$3,686,000 which included cash and cash equivalents balance of \$3,470,000.

<b>OUTSTANDING SHARE DATA</b>	Number of shares	\$
Balance, December 31, 2007	30,209,000	3,578,600
Issued for interest in mineral properties	275,375	148,838
Issued on exercise of warrants and options	4,587,000	1,817,342
Issued by private placement	12,000,000	12,000,000
Share issue costs	-	(1,365,190)
Attributed to warrants	-	(2,303,030)
Balance, December 31, 2007	47,071,375	13,876,560
Issued on exercise of warrants	1,533,000	570,180
Issued for interest in mineral properties	399,149	249,059
Balance June 30, 2008	48,993,524	14,695,799
Issued by private placement	13,378,001	3,806,750
Balance August 25, 2008	62,371,525	18,502,549

The Company has warrants outstanding for 7,692,351 shares and options outstanding for 4,601,000 shares at June 30, 2008. If exercised, cash of approximately \$2,065,000 would be received and total outstanding shares on a fully diluted basis would be 70,063,876.

**TRANSACTIONS WITH RELATED PARTIES**

During the period the Company incurred the following related party transactions

- a) Director's fees of \$39,200 ..
- b) Legal fees of \$264,489 to a legal firm, Gowling Lafleur Henderson LLP, of which a director is a partner
- c) \$84,445 in consulting fees and expenses to a company, Southampton & Associates, owned by a director of the Company
- d) \$77,000 in consulting fees and salary paid to a director of the Company
- e) \$72,000 in consulting fees paid to an officer of the Company

- f) \$165,700 is receivable from a director related to a transaction entered into on behalf of the Company to acquire shares of subsidiary located in a country that requires a domestic shareholder.

## **COMMITMENTS**

The Company had no significant commitments at the period end.

## **SUBSEQUENT EVENTS**

On August 20, LAT closed a bought deal private placement for gross proceeds of up to \$4,013,400 (the "Financing"). The Corporation sold 13,378,001 units (the "Units") at a price of \$0.30 per Unit. Each Unit will be comprised of one common share of the Corporation and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable for one Common Share at a price of \$0.50 per Common Share exercisable for a period of eighteen months from the date of issue. Dundee Securities Corporation and PowerOne Capital Markets Limited (the "Underwriters") were engaged as the underwriters for the Financing..

In consideration for their efforts, the Underwriters were paid a commission of 5% (\$200,670) of the total proceeds raised in the Financing upon closing.. In addition, the Underwriters received underwriters' warrants ("Underwriters' Warrants") entitling the holders thereof to purchase in the aggregate that number of Units of the Company which is equal to 5% (668,901) of the number of Units sold under the Financing. Each Underwriters' Warrant will be exercisable to acquire one Unit for a period of eighteen months from the closing at a price of \$0.30 per Unit.

The Company plans to use the net proceeds from the Financing for working capital and general corporate purposes..

## **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, Paraguay and Colombia. 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 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](http://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 Corporation 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 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**

Head Office: 357 Bay Street, Suite 602  
Toronto, Ontario  
M5H 2T7

Directors:	David Wahl	Waldo	Perez
	Paul Fornazzari	Patricia Sheahan	
	Harvey McKenzie	Michael J.H. Brown	
		Theodore Freedman	

**LATIN AMERICAN MINERALS INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Six Months Ended June 30, 2008

---

Officers: David Wahl, President & CEO  
Raymond E. Mitchell, CFO  
Waldo Perez, Sr. V.P. Exploration  
Paul Fornazzari, Corporate Secretary

Auditor: Ernst and Young LLP  
Suite 2300 – 700 West Georgia Street  
Vancouver, BC V7Y 1C7

Transfer Agent: Computershare Investor Services  
100 University Avenue  
Toronto, Ontario M5J 2Y1

Project Offices: Argentina  
Ricardo Videla 8046  
La Puntilla Lujan 5505  
Mendoza

Paraguay  
Av Aviadores Del Chaco 2996  
Asuncion Paraguay

Colombia  
Carrera 9 #69-70  
Bogota DC Colombia