MARIFIL MINES LIMITED
MANAGEMENT'S DISCUSSION & ANALYSIS

1.1 November 29, 2010

1.2 **Overview**

Marifil Mines Limited. ("Marifil" or the "Company") was incorporated on December 2, 2003 under the Yukon Business Corporation Act and is in the business of acquiring, exploring, and evaluating mineral resource properties in Argentina. The Company is a reporting issuer in the Provinces of Alberta, British Columbia, and Ontario. The Company's Common Shares trade on the TSX Venture Exchange under the symbol MFM.

The Company operates in Argentina through a wholly-owned subsidiary called Marifil S.A., which is a private corporation incorporated in Rio Negro Province under the laws of Argentina. The Company acquired Marifil S.A. by issuing 5,500,000 of its Common Shares to the Marifil S.A. shareholders when the Company completed its Initial Public Offering ("IPO") on January 31, 2005.

The Company also controls Oxbow Holdings Corp. a private Canadian company which owns the K2 potash property located in Argentina. Oxbow is in the process of forming a wholly owned subsidiary to hold the property.

As of 31 December 2009, the Company controlled 19 properties totalling approximately 400,000 hectares located in 9 different provinces of Argentina. The Company acquires properties through applications for mineral rights, purchasing properties, and joint ventures.

The Company's business model involves identifying good properties: adding value through judicious, cost effective exploration: and then farming out these properties to other, better financed mining companies. Our joint venture business model requires us to maintain a pipeline of new projects to replace those being farmed out.

The Company's Financial Statements are prepared in Canadian dollars and adhere to Canadian Generally Accepted Accounting Principles.

PROPERTY EXPLORATION SUMMARY

OVERVIEW

Marifil has pursued a model which has seen the Company acquiring prospective properties and preparing these projects for Joint Venture, with the Company maintaining significant carried interests. This enables the Company to increase its exposure to a larger number of projects, use other people's money to develop our projects, and generate option payments for working capital without the dilution of additional financings.

The past year has been a difficult one for the entire mining sector. This has resulted in several properties being returned to Marifil. In addition the Company has reacted to market conditions and managed to capitalize on several trends. For example potash and lithium plays dominated the headlines and Marifil has been able to obtain and option several potash prospective properties which have contributed to cash flow. (K1 and K2).

Subsequent to the end of the current Quarter the Company sold its lithium properties in Catamarca Province to a private company for cash and stock.

It has become clear that in the future, the Company will have to do more exploration and development work on its properties prior to entering them into JV's agreements. The Company feels this is necessary in order to maximize their value. This may include preparing reports which are 43-101 compliant and reporting requirements for JV partners

The Company has entered into 15 separate confidentiality agreements with companies which are currently evaluating a number of our projects.

High Priority Projects

1. **K-2 potash, Neuquen Province**:

Following the sale of the K-1 project the Company immediately began a search to identify other prospective areas in the Neuquen basin. The Company quickly identified and acquired a second property we named K-2. This 99,964 hectare property is believed to overlie a very large potash deposit. The Company has finalized a report on the property. This report describes gamma ray, density, resistivity, induction, neutron logs and other analyses from four abandoned oil well holes. The four holes define an area 18 kilometres long in a north-south direction and 13 kilometres wide in an east-west direction. All four holes show excellent stratigraphic correlations with each other.

The study of the four drill logs indicates the presence of sylvinite (potash ore mineral) layers with economic grades and thicknesses similar to those encountered in Valle's Potasio Rio Colorado Mine. The following conclusions have been made:

- Two sylvinite mineral occurrences have been indentified in all of the analyzed drill holes.

- The sylvinite mineral occurrences were intercepted in local drill holes between 1300 and 1500 m.

- The lower horizon reported a grade of 21% K_2O and a maximum thickness of 6 m.

- The upper horizon reported a lower grade of 12% K_2O over a greater thickness of 10 m.

- The potash horizons show great continuity throughout the basin. Drill intercepts encountered in drill holes spaced up to 18 km apart can be correlated both by stratigraphy and mineralization.

Favorable stratigraphy and structures identified on the Marifil property indicate that potash rich horizons would be preserved at depth in this part of the Neuguen Basin. Marifil geologists have a strong understanding of the basin stratigraphy and will utilize that knowledge in conducting an efficient drilling program. Marifil Mines has no competitor in this part of the basin and no potential conflict with oil companies is expected.

On 8 November, 2008, the Company signed a definitive agreement with Oxbow Holdings Corp. ("Oxbow"), a private Canadian corporation whereby Oxbow can acquire 100% of the K-2 property.

Marifil has retained and maintained majority ownership of equity in Oxbow Holdings Inc, This significant interest resulted from the fact that Oxbow did not carry out any work on the property.

The founders of Oxbow were unable to finance the Company and as a result Marifil has retained and in January increased its ownership of Oxbow.

Marifil now controls Oxbow and is reporting this as a partially owned subsidiary in our financial statements. The results are consolidated.

During and subsequent to the Quarter just ended, management has contacted a number of potash producers seeking a sale or joint venture. This work is on-going.

The Company intends to maintain Oxbow and is considering a number of alternatives to move Oxbow and the K2 property forward. Meanwhile, Oxbow is forming a new Argentina subsidiary to hold the property and to carry out work on the property, both as required by Argentina law.

The Company continues to explore for additional potash resources in Argentina.

2. San Roque, epithermal gold-silver-indium, Rio Negro Province:

The San Roque project comprises eleven claims totaling 70,046 hectares. Three of the claims are owned by MIM Exploraciones SA ("MIM"). Marifil has the right to purchase a 100% interest in these claims for $400,000.

The San Roque property contains a large sulphide system defined by an induced polarization ("IP") survey and widespread drilling over an area measuring at least 3 kilometers by 4 kilometers. This area is the site of a coincident lead-zinc-gold-silver anomaly in soils and the IP geophysical anomaly. Marifil believes this mineralization lies within a collapsed caldera or diatreme structure. Widespread mineralization occurs throughout the volcanic rock types present within the postulated caldera/diatreme and mineralization also extends into the underlying basement schists.

The infrastructure is especially favourable at San Roque. The climate is mild and work can be carried out year round; the terrain is relatively flat, with elevations generally only 200 to 300 m above sea level, and abundant water is nearby. The property is located in a region with a large, skilled workforce and is accessible by a paved highway. A railroad crosses the south boundary of the claims, cheap hydroelectric power is available, and a deep water ocean port lies just 65 kilometers to the east.

Drilling by Marifil reveals significant disseminated and stockwork galena and sphalerite (ores of lead and zinc) mineralization containing gold, silver, and indium. Marifil believes mineralization at San Roque is analogous to the giant Penasquito deposit in Mexico, now being mined by Goldcorp, and the large Camino Rojo and San Augustin deposits, also in Mexico. The Montana Tunnels deposit in western Montana is also a similar geologic model.
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In June 2010 the Company was required to complete the purchase of the key claims by making a $400,000 payment to MIM Exploraciones S.A. ("MIM"). Subsequent to the end of the Quarter MIM granted the Company a two year extension on this payment. This payment is now due June 2012.

Under the terms of the Option Agreement ("Agreement") announced on June 23, 2010, NovaGold has an option to acquire a 49% interest by spending $3,000,000 during the first two years of the Agreement (including making the $400,000 payment to MIM) and paying Marifil $100,000 per year. After earning its 49% interest, NovaGold can earn an additional 2% interest by committing to a Phase 2 program. During the Phase 2 program NovaGold shall spend an additional $6,000,000 over the next three years and pay Marifil $100,000 per year to earn an additional 19% interest, bringing its total interest to 70%. All further expenditures shall be shared 70% NovaGold and 30% Marifil.

During the Quarter ended September 30, 2010 the Company received the final payment of $50,000US from NovaGold, this combined with the previous payment received during the Quarter ended June 30, 2010 of $50,000US makes up NovaGold complete first year option payment obligation for San Roque.

NovaGold has begun its exploration program and intends to begin a drill program in the coming months.

3. Toruel, epithermal silver-copper-gold-lead-zinc Rio Negro Province:

The Toruel property consists of a high grade silver-copper system of veins containing lesser amounts of gold, lead, and zinc. The east end of the main vein contains greater amounts of lead and zinc and lesser amounts of copper. This zoning pattern suggests that the main ore shoots are raking down and to the west. Subsequent drilling will focus on deeper holes as we move progressively west.

The Toruel main vein is one of more than twenty sub-parallel veins located within a structural corridor more than 5 kilometers wide and more than 12 kilometers long. To date, the Company has drilled 63 holes at Toruel, nearly all of them along the main vein.

In 2009 Company geologists carried out additional mapping and sampling of two large fluorite veins located on both the east and west ends of the vein system. Our target model was to determine if these fluorite veins represent the distal ends or the tops of a precious metal epithermal system. The mapping and sampling results of the fluorite veins are inconclusive and we expect that drilling will be required to test gold anomalies along these veins.

A 43-101 report is now in preparation and we expect to complete it during the fourth Quarter of 2010

SMIM granted the Company a two year extension of a payment due for one of the peripheral claims on this project.

4. Lithium Properties

Recent price increases in the lithium markets have created an opportunity. Forecasts are predicting dramatic increases in lithium demand for use in batteries for electric vehicles and other uses.

The Puna plateau covers large portions of northwestern Argentina and contains the majority of the world's largest known lithium-brine resources, making this area attractive to many mineral exploration companies. Lithium brines have been recognized as the lowest cost source for lithium resources. The Puna plateau has been called the "Saudi Arabia of lithium".

The Company initiated an exploration program and, in 2009, acquired a number of properties through an option agreement (see proposed transactions note) and by staking claims which are prospective for lithium.

Prospecting was carried out by digging holes up to 2 meters deep and sampling saline crusts and/or brine (salty water) samples if brines were present. Anomalous amounts of lithium, boron, and potash were found on the Companies' Antofalla II and Cachari Pampa claims in Catamarca Province and to a lesser extent on our claims in Salta Province.

During the three months ended September 30, 2010 the Company sold all of its lithium claims in Salta and Catamarca Provinces to a subsidiary of Renholn International, a private BVI company. Under the terms of the agreement, Renholn agrees to pay Marifil $500,000 in cash at a rate of $125,000 (received subsequent to the end of the quarter) on signing the agreement and $125,000 per year for three years. Renholn further agrees to carry out a $2,250,000 exploration program for these properties at the rate of $500,000 in Year 1; $750,000 in Year 2; and $1,000,000 in Year 3. Marifil shall retain a 3% Net Smelter Royalty.

Renholn shall have three years to obtain a listing on the London AIM market for itself or some other Company ("NEWCO–AIM") that will hold the lithium properties. At the date of the AIM listing, Renholn, or NEWCO-AIM, shall issue $4,500,000 worth of shares in NEWCO-AIM to Marifil at the same price as the initial offering price for such shares.

Shortly after signing the Renholn agreement, Salta Province notified the Company that the two claims in that Province were invalid. Marifil quickly reached an agreement with Renholn to substitute the Company's Guayatayoc claim in Jujuy Province. A NI 43-101 report for the Guayatoyoc claim is in progress by Marifil.

5. Las Aguilas, níckel-copper-cobalt-platinum Project, San Luis Province: and **San Luis Exploration Area, nickel-copper-cobalt-platinum, San Luis Province**:

The Las Aguilas deposit contains an historical resource of 2.2 million tonnes grading about 0.52% nickel, 0.50% copper, 0.04% cobalt and significant amounts of platinum (this is not a National Instrument 43-101 compliant resource estimate) This resource was calculated from 10,000 meters of diamond drilling between 1970 and 1984. The resources are categorized as "historical estimates" and have not been reviewed or verified under National Instrument 43-101. However, the Company believes that the property has the potential to add significant future development opportunities. The historical exploration data was developed by the Argentine government agency Fabricaciones Militares which conducted an exploration program in the area.

Marifil believes this resource to be relevant to the extent that it shows that significant quantities of disseminated to semi-massive pyrrhotite, pentlandite and chalcopyrite (ores of copper, nickel, cobalt and platinum) are present and constitute a valid exploration target. This resource occurs in two discrete bodies; a West zone which is a tabular, north-striking body and an East Zone which occurs within a large fold and plunges steeply to the south. Mineralization is open-ended down dip along the plunge of the fold in both directions.

Subsequent to the end of the current Quarter, Marifil reached an agreement with Pacific Coast Nickel Corp.(PCN) Under the terms of the agreement PCN shall pay Marifil $25,000 in cash (paid) and, following TSX approval, 250,000 shares of PCN stock for a 90 day period to carry out a due diligence study and to complete a NI 43-101 compliant ore resource study. PCN has the right to extend the due diligence study for two additional months if required by paying Marifil $5,000 per month. Following the due diligence period PCN has the right to earn up to a 49% interest in the property by paying Marifil a further $275,000 in cash, 750,000 shares of stock, and completing a $2,000,000 work program over a three year period.

PCN can earn a further 11% interest, bringing its total to 60% by preparing a pre-feasibility study during the following year and by paying Marifil 2,000,000 shares.

PCN can earn a further 10%, bringing its total to 70%, by preparing a feasibility study and paying Marifil $100,000 in cash and 1,000,000 shares. Once PCN completes its 70% earn-in all future expenditures shall be split 70/30.

6. Los Menucos, epithermal gold-silver plus base metals, Rio Negro Province, Argentina:

The Los Menucos project is a claim group covering three large epithermal gold silver prospects.

Prior work by IAMGOLD reveals a number of high grade gold targets as well as a large base metal target. Several companies have expressed interest in acquiring this large property position.

The soil samples grade up to 2% zinc. Re-assaying these samples reveals the presence of indium. The Company believes this area is highly prospective for a large disseminated base metal deposit similar to our San Roque deposit. Further analysis of the data shows that the zinc anomalies coincide with a large induced polarization anomaly. The presence of molybdenum anomalies in soils suggest that this area might be the surface expression of a porphyry molybdenum deposit.

7. Lago Fontana (Ferrocarillera), epithermal gold-silver plus base metals, Chubut Province: This Project was optioned to Apex Silver Mines Ltd. on April 10, 2006. In 2007 the Province enacted legislation to suspend mining activities along the front of the Andes Mountains from Esquel south to the border with Santa Cruz, which includes the Ferrocarillera project area. As a result, Apex has opted to drop the property. However, the Company does not believe this is a long term problem and several other companies have expressed interest in the project.

Pipeline Projects

The following projects are in Marifil's pipeline and will be moved up the queue as the Company's advanced stage projects are drilled and then farmed out. Activity on the properties will be stepped up as budgets permit.

1. Punta Colorado (Sierra Grande), limestone, Rio Negro Province: This 900 hectare property is located along the shore next to a $30 million (1980 dollars) bulk loading dock. The dock extends 1,200 m into the ocean, has a capacity of 1,500 tonnes per hour, and can handle ships up to 60,000 ton capacity.

The Company actively re-negotiated with the Province to clarify Marifil's rights to the property and to obtain a right to use the nearby bulk loading dock. The Province agreed to terms and the agreement was signed in October, 2008.

The Company's objective at Punta Colorado is to identify a resource of 100 to 200 million tonnes of cement grade limestone. The Company intends to carry out a a market study to determine the property value and potential clients. If the market study is favorable the Company will carry out a comprehensive drilling and sampling program

2. Maipu silver-lead-zinc, Santa Cruz Province: The ore target is a zone 70 to 90 meters wide and exposed for 500 m vertically in a canyon. Similar outcrops occur 2500 m to the south. If mineralization is continuous, this target has the potential of hosting a world class silver-zinc deposit.

Future work on the property is hindered by an access problem, which the Company is working to resolve. As the Provincial government is formulating rules to regulate mining in the Andes, the Mining Department is delaying approval of Marifil's environmental report. The Company intends to move forward aggressively on this important target when this regulatory delay is resolved.

3. Codihue, biogenic sulfur deposit, Neuquen Province: This acquisition is an outgrowth of Marifil's Neuquén Basin potash program, and involves much the same sedimentary evaporite formations. Marifil found widespread sedimentary rock outcrops at Codihue that strongly resemble those of the Mishraq sulphur deposit in Iraq. Mishraq is the largest known biogenic sulphur deposit in the world, originally containing about 250 million tons of sulphur. The Company is actively seeking a partner to further the development of this project.

4. Apeleg: epithermal gold-silver, Chubut Province: Preliminary reconnaissance failed to find any definite targets but the area remains a priority target due to its proximity to the Ferrocarillera area and to other known properties containing high grade gold and silver.

5. El Carmen, Oil and Gas prospect, Chubut Province: A favorable property report was produced by the Company's consultant. This report suggests a significant target. This report is not NI 51-101 compliant.

Subsequent to the end of the quarter Marifil signed an agreement to sell the property to a private company for $250,000 in cash. Marifil will retain an 8% gross production royalty with minimum annual royalties of $75,000 per year starting in two years.

1.3 Selected Annual Information

	Year Ended December 31 2007 (audited)	Year Ended December 31 2008 (audited)	Year Ended December 31 2009 (audited)
Total Revenue	$ 0	$ 0	$ 0
Assets	$ 7,269,377	$ 5,721,983	$ 5,986,030
Net Income (Loss)	$ (1,547,717)	$ (2,020,004)	$ (212,589)
Basic and Diluted loss per common share	$(0.05)	$(0.06)	$ (0.01)
Long-term debt	$ 0	$ 0	$ 0

The Company's financial statements have been prepared in accordance with Canadian GAAP and are stated in Canadian dollars.

1.4 Results of Operation

The previous table sets forth summary financial information of the Company for the year ending December 31, 2007, 2008 and 2009. This information has been summarized from the Company's audited financial statements for the period ended December 31, 2007, 2008 and 2009. The following table shows the results on a quarterly basis. These summaries of the Company's financial information should only be read in conjunction with the Company's financial statements and related notes for the relevant periods.

The loss for the Year ended December 31, 2009 was $212,589 compared to a loss of $2,020,004 for the prior year, including the loss attributable to the new controlling interest in Oxbow Holdings.

The reduction in losses year over year was primarily due to reduced levels of activity which was as a result of budget constraints. Reductions in filing fees and investor relations from $214,650 to $80,797 resulted from our IR contractor reducing fees by 50% during the year, in addition travel and promotion declined from $54,481 in 2008 to $27,445 and stock based compensation was reduced to nil. Consulting fees reduced from $89,646 to $55,559. These are all reductions which were as a result of managing available cash resources trimming any discretionary expenditure. These reductions have reduced our capacity in South America but key personnel have been retained to allow for a scaled up operation if justified in the future.

1.5 Summary of Quarterly Results

	2009			**2008**
	Q3	Q2	Q1	Q4
	Sept 30/09	June 30/09	Mar 31/09	Dec 31/08
Total Revenues	-	-	-	-
Income (loss)	159,436	(74,511	(11,643)	(1,125,552)
Per share	(0.00)	(0.00)	(0.00)	(0.03)
Per share, fully				(0.03)
Diluted	(0.00)	(0.00)	(0.00)	Q3

Quarterly Information

	2010			2009
	Q3	Q2	Q1	Q4
	Sept 30/10	June 30/10	Mar 31/10	Dec 31/09
Total Revenues	-	-	-	-
Income (loss)	61,816	(152,475)	(104,811)	(285,871)
Per share	(0.00)	(0.00)	(0.00)	0.01
Per share, fully				
Diluted	(0.00)	(0.00)	(0.00)	(0.01)

The overriding events of the past two years was the market instability that has been brought on by the credit crisis in the US followed by the European sovereign debt issues and the lingering effects on demand for materials and commodities. The risks associated with a company operating in foreign jurisdictions have been accented significantly. Large fluctuations in commodity prices, exchange rates and access to capital are magnified in times of financial turmoil. These issues make it very difficult to plan.

The Company has been forced to react as a result of its limited ability to raise cash from the sale of shares. Marifil dropped the Amarillo, Valle Daza during 2009, and several projects were curtailed to conserve cash. We have reduced staffing in South America to a bare minimum and may drop other non-core properties as payments come due unless additional funding can be obtained.

The declines and subsequent increases in the prices of commodities which the Company has focused its exploration activities on have been well documented in the financial press. This has affected the ability of the Company to pursue its business model of joint venturing properties with others as the ability of potential partners to raise funds has also been affected. Recent firming of commodity prices has been beneficial. The Company is actively seeking JV Partners on its properties and the recent optioning of the San Roque property to Nova Gold, a prominent Canadian resource developer is evidence of the faith that some hold in the maintenance of a relative boom in commodity prices

The recent strength has however indicated that more advanced projects are more favourably looked on by potential partners thus confirming that more work in the form of 43-101 compliant reports are needed to attract potential partners.

Expenses increased in the administration, management and office misc categories as the effect of the change in capitalization policy was reflected in the statements. In addition, General exploration expenses were recognized as an expense pursuant to the change in policy whereby only expenses related to properties with option agreements in place or a registered ownership interests exist as a result this expense category recorded $24,009 for the 9 month period months ended September 30, 2010 where expenses had been previously capitalized.

Mr. Michael Sweatman, our Chief Financial Officer resigned during the Quarter to pursue other business opportunities. The Company would like to thank Mr. Sweatman for all his hard work and service over the years and wishes him the best in his new endeavours. Subsequent to the quarter ended September 30, 2010 we hired Mr. Mathew Fowler as Interim Chief Financial Officer.

1.6 Liquidity

The Company is in the development stage, dependent primarily on the sale of equity capital to finance its exploration operations, and therefore has no cash inflows from operations. Our cash inflows are limited to property payments received from joint venture partners. The Company receives payments in respect of property options which are credited against accumulated costs, and once all costs have been recovered, they are shown as other income in the Statement of Loss and Deficit. The Company’s main source of cash over the recent quarters was the receipt of cash from JV partners and two private placements. The Company has reduced expenditures through the reduction in minor property holdings. Joint venture partnerships with other Companies are being sought but market instability may make this process more difficult.

Receipts from existing ventures may be curtailed as others cut back as was recently the case regarding the Amarillo project and the Company’s partner ATW who have decided to drop the option. Our lack of cash caused us to terminate the Amarillo option. The Company is concentrating on activities and farm out arrangements which will yield immediate cash inflows.

The Company's principal source of funds since its incorporation has been from the sale of equity capital. As at September 30, 2010, the Company had 51,833,599 (December 31, 2009 - 48,927,349) Common shares outstanding. In addition cash has been received from option payments from joint-venture partners in the Lithium option agreement and the San Roque agreement, the Company expects to seek additional funding through the sale of additional equity.

Payments from optioned properties are not dependable as our partners face similar financial challenges as the Company. During the quarter and to date the Company has been funding itself through continuing the liquidation of its marketable securities that have been received from optionors.

1.7 Capital Resources

Global financial and commodity markets have in 2008 and 2009 continued to be volatile as the state of the economies of North America and Europe remain uncertain. These uncertainties impact the Company and its activities in that attracting capital is difficult in the volatile environment. In addition the changes in commodity prices affect the ability to attract Joint Venture partners and may cause certain ventures to be curtailed or abandoned. The Company continues to focus on exploring and exploiting its properties albeit at activity levels that are reduced given that less capital is available.

As of September 30, 2010, the Company had cash of $67,727 compared to $170,452 at September 30, 2009 and $16,471 as at December 31, 2009.

The Company's cash resources increased by $28,719 during the Quarter, the increase as a result of the Company continuing to liquidate shares received from optionees. During the Quarter the Company continued to pay down its accounts payable balances as well as the lower cash expenses as activities were curtailed due to budgetary constraints imposed as a reaction to the ongoing financial crisis. Recent events in Europe seem to indicate that the financial instability could continue for some time.

Management is of the view that the Company should have sufficient resources to continue to execute its scaled back business plan for the foreseeable future and beyond. Should the necessary equity financings, exercise of warrants and option payments not materialize, activities would be further curtailed. Management is monitoring the capital markets and will move to finance if further opportunities present themselves.

Private Placements

On January 12, 2010, the Company issued 2,456,250 common shares pursuant to a non-brokered private placement of units at $0.08 per unit for total proceeds of $196,500. Each unit consisted of one common share and one share purchase warrant entitling the holder thereof to purchase an additional common share for each warrant held for $0.12 per share for a period of two years. Finders' fees relating to this private placement were cash of $10,500 and 131,500 share purchase warrant.

Shares for Debt

On March 4, 2009 the Company issued 1,580,346 common shares at a deemed price of $0.075 per share (equal to the quoted market price at date of transaction) to settle $118,525.99 in debt, of which 569,253 common shares were issued to officers of the Company.

1.8 Off Balance Sheet Arrangements

There are no off Balance sheet arrangements.

1.9 Transactions with Related parties

The Company pays for and utilizes the services of its President, Chief Financial Officer and Executive Vice President. These transactions have all occurred at market value and are not outside of the ordinary course of business. The details of these transactions are disclosed in the notes to the financial statements for the period ended December 31, 2009 and December 31, 2008.

During the quarter ended September 30, 2009, the Company's Argentinean Subsidiary paid invoices of $9,867 on behalf of a Company with common officers and a common director. This payment, when discovered, was corrected and was promptly repaid. Management of Marifil SA has been informed that they must be diligent to ensure errors such as this are not repeated.

1.11 Proposed Transactions

No proposed transactions at this time.

1.12 Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

The most significant assumption is that management is assuming that financings contemplated will be closed in the amounts announced and that capital markets will enable future financing to occur. The statements are prepared on the going concern assumption.

Significant accounts that require estimates as the basis for determining the stated amounts include mineral properties and stock-based compensation.

The Company has adopted depreciation policies, which, in the opinion of management, are reflective of the estimated useful lives and abandonment cost, if any, of its assets. Marifil has not yet recorded any amounts in respect of abandonment, as none of these costs has been identified.

In addition, the Corporation is capitalizing costs related to the development and furtherance of development properties. The recovery of those costs will be dependant on the ability of the Corporation to discover and develop economic reserves and then to develop such projects in an economic fashion. Management believes that costs capitalized in respect of these projects are not impaired and no adjustments to carrying values are required at this time other than those written down in the financial statements.

The Corporation uses the Black Scholes valuation model in calculating stock based compensation expenses. The model requires that estimates be made of volatility, interest rates, and the ensuing results could vary significantly if changes are made in these assumptions.

1.13 Changes in Accounting Policies

a) Capitalization of Exploration Expenses

The Company has altered slightly the application of its capitalization policy with respect to expenses at the head office level which we had capitalized those head office salaries of the President and VP exploration had been capitalized because they were primarily involved supervising exploration activities, As we are no longer paying a salary and our president spends significantly more time negotiating Joint Ventures we are no longer capitalizing his salary.

In addition we had been capitalizing all costs related to administration in Argentina and as these functions are more administrative in nature we will no longer capitalize unless they can be attributed to a specific property as such a portion of our exploration costs that are not attributable to a specific property will no longer be capitalized.

These changes are being applied on a prospective basis. This should align our policies more closely with IFRS which will require that ownership be established prior to costs being accumulated.

b) Stock based Compensation

In preparation for IFRS conversion the Company has adopted accounting policy related to stock based compensation which will result in the policy being applied such that it will be in compliance with Canadian GAAP and IFRS. This change will be applied prospectively and results in no difference in the current quarter

c) International Financial Reporting Standards

The Company will be required to report utilizing IFRS effective with the first quarter report of 2011. In order to accomplish this, the Company will need to have a comparative statement prepared utilizing IFRS available for Q1 2010 (March 31 2010). Effectively this means that IFRS will need to be implemented January 1, 2010 with an opening balance sheet.

Changeover in Argentina may not require as much work as might be the case if we operated outside Argentina as our accounting contractor in Argentina is already familiar with IFRS as IFRS is GAAP in Argentina already. They have staff who are knowledgeable. We have provided them with notification of the changeover timetable and will be coordinating with them throughout the process.

The Company's audit committee is financially literate and one member is a CA who has worked with a Canadian reporting company and has attended an IFRS seminar and expects to take further courses on IFRS. The Company's audit Committee will also determine whether training for the Board and Audit Committee is appropriate.

The Company has completed an IFRS Diagnostic with the assistance of a major accounting firm.

We expect to prepare IFRS compliant statements for our year end December 31 2011 Financial Statements.

IFRS Implementation

It is possible that during the course of the transition, the effort required may differ from the initial expectations as a range of detailed implementation issues could emerge. Further, the ultimate financial statement impact can only be determined once detailed calculations are made.

IFRS ACTION PLAN

Key Activity	Timing	Current Status
Financial Reporting IFRS Diagnostic	Prepared during IFRS training and final product reviewed by independent firm	Completed
Identify differences in Canadian GAAP and IFRS and effect on accounting policies	Overall assessment to be completed Q4 2010	Differences identified analysis of impact disclosures ongoing
Determine exemptions applicable IFRS 1	To be finalized Q4 2010	Exemptions identified assessment is ongoing
Develop financial statements in accordance with IFRS	To be completed Q4 2010	Accounting policy development initiated, review of comparative adopters in other jurisdictions reviewed.
Quantify effects of change in initial IFRS disclosure and 2010 comparative statements	To be completed Q4 2010	The quantitative impact will be finalized upon completion of transition
Business activities Assess effect on budgeting and planning processes	To be completed Q4 2010	Budgeting and planning not yet impacted by conversion
Assess need for IFRS training	Ongoing	Partially complete
Information technology infrastructure		
Determine that software business processes are compliant and IFRS	Partially completed by Q4 2009 to facilitate parallel processing of 2010 general ledger	Partially complete
Assess needs for program upgrades and changes to general ledger	Initial assessment to be completed by Q4 2009 and to be an ongoing process throughout conversion	Minimal impact expected
Control Environment For accounting policies changes, asses control framework and effectiveness implications	Control and design effectiveness are continually being monitored throughout the conversion process, with completion of assessment expected Q4 2009	We expect to use outside advisors to ensure reporting is in accordance with IFRS and consideration will be given to implementing a review of Quarterly statements by our auditor to ensure compliance

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, marketable securities and accounts payable. 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 Company classifies its marketable securities as held for trading and as such marks to market at each period end including the gain or loss in income for that period.

1.15 Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2007
Capitalized or Expensed Exploration and Development Costs	$567,992	$1,503,682	$2,427,402
General and Administration Expenses	$306,316	$613,875	$1,591,735
Write-off of mineral properties	$310,732	$1,877,914	$47,194
Loss (gain) on disposal of marketable securities	$(83,911)	$(3,218)	$2,256
Write down (up) of marketable securities	$(17,413)	$204,000	-

Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of Class "A" Common Shares without par value (the "Common Shares") and an unlimited number of Class "B" Preference Shares without par value (the

"Preference Shares"). As of March 31, 2010, no Preference Shares were issued and outstanding.

As of January 01, 2010, Marifil Mines Ltd. had 48,927,369 outstanding common shares and 2,710,000 outstanding Options to acquire company shares, of which 1,830,000 of these Options were vested and exercisable. During the period ended September 30, 2010, none of these Options were exercised. During the period ended September 30, 2010 the Company did not grant any options. At June 30, 2010 there were 2,580,000, of which 2,527,500 options vested and exercisable. Outstanding common shares totalled 51,833,599 at September 30, 2010.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Preference Shares

The Preference Shares may be issued in one or more series having those rights and restrictions as the Board of Directors of the Company determines by resolution prior to the issuance of any Preference Shares of a series. The Preference Shares of any series shall rank in parity with the Preference Shares of any other series in respect of the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company and shall be entitled to a preference, over the Common Shares and the shares of any other class ranking junior to the Preference Shares.

Risks

<u>General Risk Associated with the Mining Industry</u>

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

Management attempts to mitigate its exploration risk by maintaining a diversified portfolio, our strategy of joint ventures with other companies on a number of properties is a factor which balances risk while at the same time allowing properties to be advanced.

Political Risk

Recently three provinces in Argentina have placed or proposed to place restrictions on the mining industry. The Company's Management has discussed such proposed changes with legal counsel and has received advice that such provincial regulatory changes are or would be unconstitutional given that the regulation of the mining industry is a federal responsibility.

Chubut Province has passed a law but not yet promulgated regulations in respect to the mining industry which proposes to limit the use on open pit methods and the use of cyanide. Mining activity has been suspended in an area south of SL 42^0 and North of S L 33^0 33'. Bounded by W 70^0 33' and the Chile border. This has affected Marifil's Lago Fontana (Ferrocarillera) project as the option agreement signed with Apex Silver and our APG claims have been terminated and the property returned to Marifil.

Rio Negro Province has banned the use of cyanide and mercury in mining processes. This will not affect Toruel or San Roque as these projects would produce concentrate from a mill, a process that would not involve the use of cyanide.

Mendoza Province has proposed suspending mining activity but this proposal was rejected by the state senate.

Santa Cruz Province is currently formulating policies to reconcile tourism and mining until this policy is completed a delay in the Maipu Project may occur.

Management believes that the Company's diverse portfolio across a large number of provinces reduces Marifil's exposure to provincial governments in Argentina that may be considering changing their mining and environmental laws.

Marifil is closely monitoring the situation and may adjust its future plans accordingly. In addition, evidence of federal government support and recent policy initiatives designed to encourage uranium mining and nuclear electricity generation leads Management to believe that these are short term issues. In the event that environmental standards are adjusted to reflect public concerns, the Company would have no difficulty in complying.

Foreign Currency Risk

The Company conducts its operations in Argentina advancing amounts as required. Cash balances are kept primarily in Canadian dollars and to a lesser extent in US dollars. The prices of commodities mined are primarily in US dollars as are the Capital costs of development and equipment. As a result, the fluctuations in the local currency tend to have less financial impact than if inputs and outputs are priced in the local currency. Argentina is currently undergoing an increase in inflation and we will continue to monitor the potential effects on our operations.

Equity Market Risk

The Company raises money in the equity markets which can fluctuate significantly. If the appetite for equity financing is curtailed it may be difficult or impossible to raise additional equity. This could have a negative effect on the Company. These factors are beyond the control of management.

Economic Background Argentina

The Company's operations are exclusively in Argentina. Argentina has not been immune to the global financial crisis it economy has been negatively impacted. The Economist magazine has reported that in the most recent quarter (Q2) GDP declined 0.8 %, unemployment stood at 8.8% and consumer prices rose 5.9% in August and 9% over the past 12 months.

The US AR exchange rate went from 3.10 one year ago to 3.84. As of April 14, 2010, the rate was 3.88. As our financials are stated in C$ the increase in value of the Canadian dollars against the US dollar results in impacts as well. Effectively our Canadian dollars are going further than they were a year ago. This is because of the increased value of the Canadian Dollar, partially offset by general inflation in Argentina.

Long term value is impacted as most commodity selling prices are stated and negotiated in US dollars thus reducing the impact of fluctuating currency so long as the Canadian dollar trades reasonably close to that of the US dollar.

Management will be monitoring these trends to attempt to mitigate any detrimental trends although no hedging program is in place nor contemplated at this time.

Other Information

Other information can be found at the following websites www.sedar.com or www.marifilmines.com .

This Management Discussion and Analysis has been reviewed and approved by Mr. John Hite, President and CEO of Marifil Mines Limited, under whose direction the Company's operations are being carried out. Mr. Hite is a Qualified Person as defined by National Instrument 43-101.

Forward Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements which may relate to future events and performance; all statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often but not always identified by the use of such words as "seek", "anticipate", Plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements involve known and unknown risks and uncertainties and other factors, which may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in these forward looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward looking statements included herein should not be unduly relied upon. These statements speak only as of the date of this MD & A. The Corporation does not assume any obligation to update these forward-looking statements.