MARIFIL MINES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTH PERIOD ENDING SEPTEMBER 30, 2012 AND 2011

November 19, 2012

The following discussion and analysis is prepared as of November 19, 2012, and should be read in conjunction with the financial statements of Marifil Mines Ltd. (the "Company") for the period ended September 30, 2012 and all of the notes, risk factors and information contained therein.

In February 2008, the CICA Accounting Standards Board confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian generally accepted accounting principles ("Canadian GAAP") would be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2010 has required the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

The Company's Financial Statements are prepared in Canadian dollars and adhere to International Financial Reporting Standards ("IFRS").

Introduction

This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward-Looking Information".

Forward Looking Information

This MD&A contains "forward-looking information" and "forward-looking statements" (together, "forward looking statements") within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company's exploration and development activities; the Company's ongoing drilling program; the Company's future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors and assumptions include, amongst others, the effects of general economic conditions, the supply and demand for gold and other precious and base metals the level and volatility of prices of precious and base metals, the availability of financing to fund the Company's ongoing and planned exploration and possible future mining operation on reasonable terms, changing foreign exchange rates and actions by government authorities, market competition, risks involved in mining, processing, exploration and research and development activities, the political climate in Argentina, the Company's ongoing relations with its employees and with local communities and local governments, and uncertainties associated with legal proceedings and negotiations and misjudgments in the course of preparing forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

• risks related to the Company's lack of revenues from operations and its continued ability to fund ongoing and planned exploration and possible future mining operations;

• risks related to the Company's history of losses, which will continue to occur in the future;

• risks related to governmental regulations;

• risks related to the uncertainty of the Company's ability to attract and retain qualified management;

• risks related to the Company's ability to successfully establish mining operations or profitably produce precious metals, base metals and or minerals;

• volatility in the market price of gold, silver, base metals and other minerals which could affect the profitability of possible future operations and financial condition;

• risks related to currency volatility;

• risks related to the inherently dangerous activity of mining, including conditions or events beyond the Company's control;

• risks related to the Company's primary properties being located in Argentina, including political, economic, and regulatory instability;

• uncertainty as to actual capital costs, operating costs, production and economic returns relating to potential mining operations;

• uncertainty in the Company's ability to obtain and maintain certain permits necessary for current and anticipated operations;

• risks related to the Company being subject to environmental laws and regulations;

• risks related to land reclamation requirements and loss of the property due to inability to meet contractual obligations;

• risks related to the Company's ability to attract necessary capital funding for mineral exploration in the future;

• risks related to officers and directors being or becoming associated with other natural resource companies which may give rise to conflicts of interests; and

• the volatility of the Company's common share price.

This list is not exhaustive of the factors that may affect the Company's forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this MD&A under "Risk Factors". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward looking statements. Forward-looking statements are made based on management's experience, 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 law.

Investors are cautioned against attributing undue certainty to forward-looking statements.

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's business model involves identifying good properties: adding value through judicious, cost effective exploration, and then farming out these properties to other mining companies. Over time, as our various projects mature, it is the Company's intent to become a hybrid royalty company whereby we will have a mix of royalties, working interests, and carried interests in our projects.

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 maintain exposure to value increases on a number of projects while also generating option payments to add to the balance sheet and mitigating exploration risk.

PROPERTY EXPLORATION SUMMARY

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

San Roque is an 111,382 hectare property located in southern Argentina in Rio Negro Province near the Atlantic coast in a region of developed infrastructure. It contains a bulk tonnage base metal deposit comprising gold, silver, lead, zinc, and indium and a bulk tonnage epithermal gold-silver target. The mining rights are held by 18 mineral tenures, 3 of which are in advanced stages of being converted into 95 patented mining claims covering 9,500 hectares. These are core area claims covering the significant gold-silver-indium-lead-zinc epithermal sulphide mineralization. It is relatively flat desert terrain averaging about 200 meters in elevation and is accessible by vehicle year-round.

Polymetallic sulphide mineralization occurs as zones of multiple narrow, sheeted banded-textured quartz-carbonate veins, as linear breccias. These veins and breccias are surrounded by broader zones of stockwork and disseminated sulfides. Mineralization is hosted by Jurassic age volcanic and sedimentary rocks as well as Paleozoic age basement quartz mica schist. Steeply-dipping northwest and northeast-striking faults exert a strong control on the mineralization, and porphyritic syenite stocks may be associated with zones of mineralization.

On March 8, 2006 the Company signed an agreement with M.I.M. Argentina Exploraciones (MIM) to acquire the San Roque gold project in Rio Negro province, Argentina. The Company committed to spending US$50,000 annually on the property over the next four years (incurred). In addition the Company had the right until June 5, 2012 to purchase 100% of the property by making a cash payment of US$400,000 (Paid).

On June 22, 2010 Marifil had entered into an option agreement with NovaGold Resources, Inc. ("NovaGold") whereby NovaGold could earn up to a 70% interest in San Roque. Under the terms of the agreement, NovaGold had an option to acquire 49% interest by spending US$3,000,000 during the first two years of the agreement (including making the US$400,000 payment to underlying property owner Mount Isa Mines (MIM)) and paying the Marifil US$100,000 per year. NovaGold complied with all terms of this agreement in order to earn its 49% interest. For more information on the NovaGold option agreement please see the Company's June 22, 2010 press release titled "Marifil Enters into San Roque Agreement with NovaGold" which is available and filed on SEDAR (www.sedar.com)

In March 2011 NovaGold drilled 15 angle holes for 3,538 meters. Every drill hole encountering some degree of mineralized rock, indicating the partnership was exploring a very large, complex and variously mineralized sulphide system containing gold, silver, indium, lead, zinc and some copper and molybdenum.

In February 2012 NovaGold completed the second phase of drilling on the project. Nova Gold's Phase 2 drilling program consisted of 19 angle diamond drill holes totaling 4,278 meters, of which 961 meters above cut-off grade assay an average of 1.94 g/t equivalent gold as mineralization of gold, silver, indium and lead and zinc. Again, all drill holes intercepted some degree of mineralization further indicating an extensive system of mineralization over several square kilometers. Mineralization is open in all directions and at depth. Equally important, mineralization frequently starts at surface and has been followed to the bottom of the deepest holes at depths up to 200 vertical meters.

To see all the results from the NovaGold Phase 2 drilling program please see the Company's press release dated February 14, 2012, which is available on the Company's website, as well as on SEDAR (www.sedar.com).

NovaGold completed 34 drill holes for 7,817 meters during 2011. Six campaigns of drilling by MIM, Marifil and NovaGold since 2001 total 108 drill holes for 15,837 meters, of which 11 holes for 5,262 meters are reverse circulation drilling and the remainder diamond core drilling. Drilling has outlined an area of semi-continuous polymetallic mineralization covering approximately 0.3 x 0.9 kilometers in the "33-zone". Individual drill holes have intersected zones averaging as high as 1.16 g/t Au, 10.3 g/t Ag, 39.0 g/t In, 0.43 % Pb and 2.04% Zn over 120 meters (hole DDHMSR-0009). This mineralization is open-ended in every direction. Equally important, directly adjacent to this mineralization is a very strong and relatively untested induced polarization (IP) anomaly. Only the far south end of this one kilometer long IP anomaly has been drilled where Marifil had previously completed an isolated hole (MFDDH-0043) that intercepted 42.8 meters at 1.94 g/t Au equivalent (average Au at 0.25 g/t). NovaGold drilled DDHMSR-033 specifically as a step-out of that hole testing the IP anomaly which at intercepted 0.85 g/t Au, 9.15 g/t Ag, 2.67 g/t In, 0.31 % Pb and 0.63 % zinc over 81 meters.

Significant results have also been encountered in the "51-zone", located approximately 1.0 kilometer southeast of the 33-zone, and in hole DDHMSR-0034, located 1.9 kilometer southeast of the "33-zone", designated the "34-zone". Three core holes (MFDDH-51, DDHMSR-002 and DDHMSR-003) in the "51-zone" average 0.41 g/t Au, 18.5 g/t Ag, 0.31% Pb and 0.44% Zn over aggregate drill hole length of 419.5 meters. In the 34-zone, NovaGold drilled hole DDHMSR-0034 which intercepted at surface 34 meters of 2.27 g/t/Au, 42.62 g/t Ag 0.08 g/t In, 0.03% Pb and 0.08% Zn starting at 1 meter below the surface. This hole is a 50 meter step-back on a previous Marifil hole (MFDDH-0013) showing very favorable results including 22.16 g/t Au and 20.63 g/t Ag over 11.5 meters. "34-zone" is distinctly different than "33-zone" as it lacks significant base metal mineralization and quartz veining. The precious metal mineralization in "34-zone" is associated with variably silicified tuffs and volcanic sediments, and it is wide open for expansion by continued drilling. Marifil considers it to be an excellent near surface bulk tonnage gold drilling target that Marifil will focus on in the next phase of exploration. The Company is compositing coarse rejects and will have a laboratory conduct bottle roll cyanide tests to determine the amount of gold available for cyanide leaching.

Northwest-trending zones of elevated, multi-element soil geochemistry and linear IP chargeability highs coincide with known drilled structures and also signpost several other untested drill targets.

On June 22, 2012, NovaGold relinquished its right to earn 70% equity in the property, and is now seeking to sell its 49% interest in Minera San Roque S.A.. Marifil has resumed control of the property and would like to proceed with follow-up drilling starting on "34-zone" and is negotiating a shareholder agreement whereby it can carry out further exploration on the property.

Marifil estimates that more than US$ 8,000,000 has been invested in exploration of the San Roque property. This effort has produced sufficient data to determine a 43-101 compliant resource which the Company intends to accomplish as soon as possible. It has also yielded excellent drilling targets on extensions of known mineralized zones and also some new areas of gold mineralization worthy of follow-up. Marifil is seeking a new senior and financially strong partner to replace NovaGold, and is also evaluating its options to continue drill the "34-zone" gold prospect on its own.

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

The Toruel property is located in Rio Negro Province, Argentina approximately 25 kilometers southeast of the town of Los Menucos, (population 5,500) in central Patagonia. The elevation is about 1,200 meters and topographic relief is generally less than 100 meters, with the terrain being typical scrub bush desert. There is year round road access and a rail line runs through Los Menucos.

The property consists of two mining rights totaling 5,736 hectares. Marifil holds the option to purchase 100% of the properties from two private parties for a total cost of $818,000. As of the date of this report Marifil has paid $203,000 of this expenditure.

Marifil discovered a silver-copper system of epithermal quartz veins and breccias containing lesser amounts of gold, lead, zinc, and indium during two drill programs that included 5,890 meters of drilling in 61 holes, mostly on the main Toruel Vein. The structures are located in volcanic rocks of Triassic age within a 5 by 8 kilometer structural corridor. The silicified structures are each one to two kilometers in length and generally consist of complexly banded (episodic) and vuggy quartz veins and locally of hydrothermal replacement breccias.

Drilling on the 1.2 km long Toruel Vein achieved a best intercept of 5.34% Cu and 1,998 g/t Ag over 6.7 meters, and has penetrated to a maximum depth of 125 meters where mineralization persists. The east end of the Toruel 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 to the west, where future and deeper drilling is expected to focus.

On March 4, 2011, Marifil optioned the property to Netco Silver Inc. ("Netco") giving them a right to earn up to 75% equity in the property. Under the terms of the consummated option agreement, Netco could earn a 50% interest during the next three years by paying to Marifil an aggregate of $200,000 in cash, issuing 3,150,000 Netco common shares and spending $2,800,000 on exploration and development of the Toruel project. Netco can earn a further 10% over the next two years by providing Marifil with a pre-feasibility study on the property. At that time, all further expenditures would be shared with 70% covered by Netco and 30% by Marifil. At its sole option Marifil could elect to be carried through to the commencement of commercial production, in which case Netco would earn an addition 5% of the project, bringing Netco's total interest to 75%. For more information on this transaction please see Marifil's press release dated March 4, 2011 available on SEDAR (www.sedar.com)

Netco started geological field work on the property in late November 2011 and in February 2012, completed 162 surface samples, these rock samples returned assays ranging from 0.00 – 0.714 g/t Au and channel samples from 0.00 – 0.379 g/t Au and 56.8 g/t Ag and greater than 1 % lead over 0.95 meters one newly discovered quartz vein. In June 2012 Netco announced that its systematic prospecting, trenching and sampling program on the Toruel property had discovered two multiple new vein structures, including the El Cumpa and Capos veins approximately 2,500 meters east of the Toruel Vein. These new veins are genetically similar to the Toruel Vein and are composed of multi-phased silica injection events. Channel samples have returned assay results from 0.01 g/t to 4.37 g/t Au and from 0.8 g/t to greater than 200 g/t Ag. Two over-limit silver assays remained to be reported.

Netco reported that the findings of their field work supports a geological model which indicates that the Toruel Vein is at a lower level of an expansive epithermal vein system, with tectonically down-thrown blocks to the east and west. The El Cumpa and Capos veins are seen to be expressions of higher level epithermal mineralization than is the Toruel Vein. The consequences of this are that many of the lower level surface anomalies discovered by Netco geologists quite likely represent surface expressions of buried high-grade epithermal mineralization.

As of the date of this report Netco has incurred $684,432 of its expenditure requirement, issued 650,000 shares of its share requirement and $100,000 of its cash payment requirement.

On September 19, 2012 Netco and Marifil entered into a purchase agreement whereby Netco has agreed to purchase 100% of the Marifil interest in the Toruel property. Under the terms of the Purchase Agreement, Marifil will assign and sell to Netco all of its interest in the Toruel property in consideration for:

(a) Netco issuing Marifil an aggregate of 3,500,000 share purchase warrants (each, a "**Warrant**"), with each Warrant entitling Marifil to acquire one common share of Netco (each, a "**Share**") at a price of $0.10 per Share until the date that is twelve (12) months from the closing of the Transaction (the "**Closing**") and at a price of $0.15 per Share from the date that is twelve (12) months from the Closing until the date that is twenty-four months from the Closing;

(b) Netco issuing to Marifil such number of Shares as will cause Marifil to hold an aggregate of 19.9% of the issued and outstanding Shares at Closing; and

(c) Netco granting Marifil a 3% net smelter returns royalty

Netco has also agreed to assume Marifil's existing property payment obligations to the underlying owners of the Toruel Property upon Closing.

The Transaction is expected to close on or about November 30, 2012. The Closing of the Transaction is subject to a number of conditions, including:

(a) the approval of the TSX Venture Exchange and of the underlying owners of the Toruel Property, if applicable;

(b) Netco having funds in the minimum amount of $825,000 (the "**Closing Funds**"), of which $375,000 shall be used to complete the purchase of claims from an underlying owner of the Toruel Property and $450,000 shall be used for a drill program on the Toruel Property;

(c) satisfactory completion of all transactions contemplated in the Purchase Agreement; and

(d) Marifil and Netco having executed a termination and release confirming the termination of the Option Agreement.

In the event that Netco is unable to provide evidence to Marifil of holding the Closing Funds at the time of the Closing, the Purchase Agreement and the Option Agreement shall be terminated.

3. 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 project is located in the province of San Luis, Argentina approximately 800 kilometers west of Buenos Aires. The nearest urban center is the city of San Luis, approximately 35 kilometers to the east. Good roads access the property all year. Marifil currently holds a 100% interest in 13 mining rights concessions in various stages of maturation which consists of 126 individual mining claims covering 11,436 hectares, the core claims of which hold the 43-101 mineral resource are patented.

Mineralization at Las Aguilas is located within small, variably differentiated mafic/ultramafic bodies intruding a Precambrian metamorphic rock complex, and is a typical of world-wide magmatic segregation type semi-massive sulfide deposits with 10% to 50% sulfides containing platinum group metals (PGMs). Three drilling campaigns by three different companies total 143 diamond drill core holes for 29,499 meters, plus a 113 meter long adit for a 30 tonne metallurgical bulk sample was also completed. The 43-101 report was completed by Wardrop (A Tetra Tech Company) and subsequently filed on Sedar in April of 2011. For reasons of quality control and data verification, this report incorporates only the last 79 holes drilled into resource calculation. The Las Aguilas resource is developed on two parallel nickel sulphide zones 300 meters apart (West and East deposits) that collectively contain about 4.6 million tonnes of Indicated plus Inferred Resources with an average grade 0.65% NiEq at a nickel equivalent cut-off grade of 0.4% (see below – 43-101 compliant). Copper, platinum, palladium and cobalt figure significantly into the equivalent nickel cut-off grade.
Between 1970 and 1988, Direccion General de Fabricaciones Militares (DGFM) conducted geological, geophysical and metallurgical studies that included drilling 43 diamond core holes for 9,800 meters. DGFM established a historical resource of 2.2 million tonnes at 0.52% Ni, 0.51% Cu and 0.04% Co (not a 43-101 compliant resource) with good metallurgical recovery characteristics. Marifil obtained all of the Las Aguilas mining rights in 1998 from the Provincial Mining Authority by paying the overdue cumulative property taxes. In the period 1999 - 2000 Marifil optioned the property to Western Mining Corp. who completed an airborne geophysical study, and then terminated the agreement. Marifil then optioned the property to BHP Billiton World Exploration Group who completed extensive ground geophysical and geochemical surveys and drilled 22 diamond core holes for 6,842 meters.

Las Aguilas has two mineralized intrusions as initially defined by DGFM that are 300 meters apart: the Las Aguilas East and Las Aguilas West deposits. Mineralization comprises pyrrhotite, chalcopyrite and pentlandite (ores of copper, nickel, cobalt and platinum) in a matrix-supported texture, with some fracture-controlled massive sulphide veins. Pyrrhotite and chalcopyrite occur as disseminations, patches of net-textured accumulations, as well as mineralized fractures and veinlets found throughout the intrusion. The sulphide content is 15% to 20% on average. Significant PGE mineralization, particularly represented by platinum and palladium, has been identified at Las Aguilas, as well as copper and minor gold contents. Petrographic studies identified merenskyite and sperrylite as the main PGE minerals.

Marifil optioned the property to Castilliian Resources in 2007 and they conducted the latest round of drilling from which Wardrop calculated the 43-101 mineral resources. Between November 2007 and February 2008 Castillian completed geological mapping, petrographic studies, 28,600 line km of BH-TEM, 3,569 line km of airborne VTEM, an environmental baseline study, and 78 HQ/NQ drilled holes totaling 12,857 meters, most of which were surveyed with down-hole geophysical instrumentation (BHEM).

The Castillian drilling extended the Las Aguilas West deposit an additional 100 meters south and 50 meters north. The Las Aguilas West deposit and intrusion have now been intersected by drilling over a length of 800 meters and to a vertical depth of 250 meters. The Las Aguilas West deposit is a 5 to 25 meter wide tabular body contained within a pyroxenitic dike that shows mostly subvertical dips to the east, but in the southern third, the dips change from subvertical to the west to a shallow westerly dip. The mineralized intrusion appears to be cut off to the south by a noritic intrusion.

The East deposit is a 10 to 30 meter thick lens-like body having 100 meters of strike length and plunging about 45 degrees to a vertical depth of at least 330 meters. The mineralization is hosted by a variety of ultramafic intrusive rocks. This resource occurs within a large fold and mineralization is open-ended down dip along the plunge of the fold. Drilling suggest that the size and grade of this deposit are increasing with depth.

Some highlights of Castillian's diamond core drilling are:

Las Aguilas West:

- LA08-070 -- 18.95 meters with 0.40% Ni, 0.48% Cu, 0.03% Co, 0.23 g/t Pt and 0.31 g/t Pd;
- LA08-074 -- 15.80 meters with 0.41% Ni, 0.55% Cu, 0.03% Co, 0.40 g/t Pt and 0.38 g/t Pd.

Las Aguilas East:

- LA08-078 -- 19.67 meters with 0.58% Ni, 0.42%Cu, 0.03%Co, 0.44 g/t Pt, 0.50 g/t Pd and 0.22 g/t Au, including 5.64 meters of 1.05% Ni, 0.62% Cu, 0.04% Co, 0.8 g/t Pt, 0.69 g/t Pd and 0.14 g/t Au.
- Marifil estimates that more than US$ 20,000,000 has been spent exploring the Las Aguilas property.

The Las Aguilas property was returned to Marifil in 2009 when Castillian Resources decided to change direction of their focus from base metals to precious metals.

The Company entered into an agreement with Prophecy Platinum Corp. ("Prophecy") on December 10, 2010. The agreement called for Prophecy to make payments and complete work on the project to earn a 49% interest in the property by paying the Company cash of US$300,000, issuing 100,000 shares of Prophecy and incurring US$2,000,000 in exploration expenditures. Prophecy could earn an additional 21% of the project by meeting certain milestones and making set payments. The Company would retain a 3% Net Smelter Return ("NSR") that could be reduced to 2% by Prophecy making two payments totaling US$3,000,000 to Marifil. For more information on the Las Aguilas Option agreement please see the Company's press release dated November 8, 2010 available on SEDAR (www.sedar.com)

On May 11, 2011 the Company received a completed NI 43-101 resource estimate from Prophecy. Prophecy contracted Wardrop Engineering, a Tetra Tech Company, to compile and analyze the entire project drilling data and produce an NI 43-101 compliant resource report. Wardrop concluded that the geological understanding is sufficient to support resource estimation. The project now has a total of 143 completed drill holes, of those only the 79 Castillian holes within the area of interest were included in the resource estimation due to data verification. The table below summarizes their resource estimate.

Las Aguilas Resource Estimate at 0.4% NiEq

Total Class	NiEq% Cut-off	Tonnes	Ni%	Cu%	Co%	Au (ppm)	Ag (ppm)	Pt (ppm)	Pd (ppm)	NiEq%
IND	East	1,036,800	0.52	0.35	0.03	0.09	0.53	0.19	0.19	0.77
	West	2,227,000	0.36	0.45	0.03	0.03	0.29	0.15	0.19	0.62
	Total	3,263,800	0.41	0.42	0.03	0.05	0.37	0.16	0.19	0.67
INF	East	650,000	0.48	0.33	0.03	0.03	0.31	0.05	0.04	0.65
	West	689,000	0.35	0.43	0.03	0.01	0.01	0.01	0.01	0.53
	Total	1,339,000	0.41	0.41	0.03	0.02	0.16	0.03	0.03	0.59

The nickel equivalent ("NiEq") value is based on a long range pricing index updated quarterly. The resource model was created in April of 2011 with the following commodity prices being used: Ni = $9.02/lb, Cu = $2.66/lb, Co = $15.92/lb, Pt = $1,842/ozt, Pd = $681/ozt, Au = $1,058/oz/t, Ag = $16.57/ozt.

The report recommends additional exploration expenditures where extension of the known zones offers the potential for resource expansion; particularity along strike on the West Zone and down-dip on the East Zone. Future work will follow up on prior extensive geophysical data to identity new step out drill targets within the prospective optioned claim area. The NI 43-101 report recommends a down-hole geophysical survey to aid in the step-out drilling.

On April 2, 2012, the Marifil and Prophecy announced it had reached an agreement to amend the terms of the agreement. Prophecy requested to extend US$500,000 in work obligations due on or before April 1, 2012 to November 1, 2012 and requested a similar extension of the next work obligation due on or before April 1, 2013 to October 1, 2013. Marifil agreed to the extensions, but in return requested an extra US$50,000 payment. A payment satisfying these conditions was received by Marifil on April 1, 2012. The remaining terms and conditions of the agreement with Prophecy remain unchanged.

On October 12, 2012 Prophecy notified Marifil that they wished to terminate the joint venture on the Las Aguilas property. The company is in discussions with other companies that may be interested in forming a partnership to develop the property.

4. El Carmen, Oil and Gas prospect, Chubut Province:

The El Carmen property comprises four patented oil claims totaling 2001 hectares on the north flank of the Golfo San Jorge Sedimentary Basin on the Atlantic coast, Argentina's second most prolific oil producing region. Local oil development infrastructure is excellent. A favorable property report was produced by an independent consultant for the Company that is largely based on drilling results of fifty years ago that identifies significant hydrocarbon targets. This report is not NI 51-101 compliant.

On November 15, 2010, the Company sold the El Carmen project to Ilakon Ltd. ("Ilakon"), a private company for US$250,000 and an annual minimum advance royalty of US$75,000 which is credited against an 8% production royalty from gross proceeds of sales of oil and gas. The advance royalty, or the production royalty, is to begin in November 2012. Ilakon subsequently sold the El Carmen property to Spinell S.A. ("Spinell") a private company which is a wholly owned subsidiary of Solo Oil Plc, a British oil company. Marifil is assisting in the transfer of property to Spinell and has notified them of the royalty payment due in November. As of the date of this report the Company has not received this payment.

5. K-1, Potash, Neuquen Province

The K-1 property is located in the western sector of the Neuquen Sedimentary Basin with good road access. In early 2008 Marifil entered into an agreement to stake potash claims on behalf of Latin American Potash Corp. ("LAPC") called the K-1 property. Marifil received US$100,000 and 200 shares of LAPC representing 20% of the issued capital of the Company at the time. In July 2008, LAPC was sold to Allana Potash Corp ("Allana") for US$130,000 and 3,000,000 shares of Allana. Marifil received US$26,000 and 600,000 shares of Allana from this sale. Marifil retains a 2% Net Smelter Royalty from future production on the K-1 property. The Company is unaware of any exploration plans Allana has for K-1 at this time.

6. K-2, Potash, Neuquen Province:

This 79,964 hectare property, 100% owned by Marifil is believed to overlie a very large potash deposit in the Neuquen Sedimentary Basin, having excellent industrial services and infrastructure development. The Company has finalized a NI 43-101 exploration report for 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 nearby in Valle's Potasio Rio Colorado Mine. The following conclusions have been made:

- Two sylvinite mineral occurrences have been identified in all of the analyzed drill holes.
- The sylvinite mineral occurrences were intercepted in drill holes between 1,300 and 1,500 meters.
- The lower horizon reported a grade of 21% K_2O and a maximum thickness of 6 meters.
- The upper horizon reported a lower grade of 12% K_2O over a greater thickness of 10 meters.
- The potash horizons show great continuity throughout the basin. Drill intercepts encountered in drill holes spaced up to 18 kilometers apart can be correlated both by stratigraphy and mineralization.

On November 8, 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 retained and maintained majority ownership of equity in Oxbow.

On December 21, 2010, the Company signed a letter of intent "LOI" on behalf of Marifil and its subsidiary Oxbow with Saccharum Energy Corp. ("Saccharum") for the property. Saccharum paid US$10,000 for an exclusive 60 day due diligence period. As part of the agreement, Saccharum agreed to purchase all of the shares of Oxbow for one cent per share. The Company was then going to restructure the underlying Oxbow agreement whereby Saccharum could earn a 75% interest in the K-2 property. For more information on the K-2 purchase and sale of Oxbow, please see the Company's press release dated December 21, 2010 titled "Marifil signs letter of Intent for the K-2 Potash Project" filed and available on SEDAR (www.sedar.com).

On June 17, 2011, the Marifil signed a definitive Letter of Intent to advance the purchase of Oxbow and add the JV of K-3 and K-4 properties to the agreement with Saccharum, the terms of this agreement were not materially different than the terms announced on December 21, 2010.

On October 4, 2011, Saccharum notified the Company that they were unable to receive regulatory approval and Saccharum and Marifil mutually agreed to terminate the agreement.

On April 26, 2012, the Company purchased from the Oxbow shareholders the 42% of Oxbow it did not own. This resulted in Marifil now owning 100% of Oxbow and the K-2 project. The Company has begun an aggressive marketing campaign to find a new partner or financing arrangement, and is actively engaged in discussions other parties. Marifil is also investigating the possibility of spinning out all of its fertilizer mineral properties into a new company.

7. K3 & K4, Potash, Mendoza Province:

Marifil acquired these properties in January and February of 2011 by staking ground it believes to be highly prospective for potash, uranium, biogenic sulfur and asphaltites. There are no underlying third party agreements attached to these mining rights which total 15 contiguous claims for 113,263 hectares. The claims are located in the northern Neuquen Sedimentary Basin in areas of good road access.

The Neuquen Sedimentary Basin is Argentina's most prolific oil producing basin, and hosts the country's only potash mine that is currently under construction, the $6.2 billion dollar Potasio Rio Colorado mine, owned by Vale. The southern part of the Company's K-3 project lies about 50 kilometers northwest of Vale's Potasio Rio Colorado potash mine which has a resource of 2 billion tons of potassium chloride. Potasio Rio Colorado is scheduled to start production in 2013 at the rate of 2.4 million tonnes of potash per year, and eventually be ramped up to 4 million tonnes per year.

Geologic mapping and basin analysis identified this large area as having good potential for salt horizons at depths ranging from 220 meters to 2,000 meters. The evaporated salt horizons are believed to range from 50 meters to 350 meters in thickness. Analysis of electric and gamma ray logs from abandoned oil wells is ongoing. Sylvite (a potash salt with the chemical formula KCl) typically occurs near the top of thick evaporate salt horizons.

On April 4, 2011, the Company entered into a Letter of Intent whereby Saccharum Energy Inc. could acquire up to a 70% interest in these two projects, please see Company's news release dated April 4, 2011 on SEDAR (www.sedar.com).

October 4, 2011, Marifil announced it and Saccharum Energy Inc. (Saccharum) mutually agreed to terminate their Joint Venture agreement and the purchase of Oxbow Holdings Corp. and Marifil's K-2, K-3, and K-4 potash projects, please see Company's news release dated April 4, 2011 available on SEDAR (www.sedar.com).

Saccharum has cited its inability to obtain regulatory approval as the principal reason for its withdrawal and emphasizes that such withdrawal was in no way a reflection on the quality of the properties. Saccharum management remains a large shareholder of the Company.

Marifil intends to move forward aggressively in advancing these properties. The Company's Board of Directors approved the purchase of the minority shares of Oxbow Holdings Corp., which was completed on April 25, 2012. These shares would have been purchased by Saccharum as part of their agreement with the Company; Marifil now again owns 100% of the K-2 project. Marifil has begun an aggressive marketing campaign to find a new partner or financing arrangement, and is actively engaged in discussions with various parties.

8. K5 & K6, Potash, Neuquen Province:

On January 23, 2012 the Company announced it had signed a Letter of Intent with a private party to acquire the Filo Morado Potash property ("K-5") in the Neuquen Sedimentary Basin. The property contains 14 claims totally 30,100 hectares, and is accessible year round by roads.

The K-5 claims are bordered by Vale's claims on the northeast that host the +2 billion tonne Potasio Rio Colorado potash deposit and are bordered on the north by claims owned by the K+S group (a large German fertilizer corporation), who's claims host the El Porton potash deposit believed by Marifil to contain in excess of 200 million tonnes of potash resource. Past drilling of 52 gas and oil wells proves that the same stratigraphic potash layers lie under K-5 property that underlies the vale and K+S claim groups. K-5 covers a producing gas field which lies far beneath the potash horizons, for which the Company has no rights to.

On May 14, 2012 Marifil signed the definitive purchase option for the property which also included an additional property known as K-6. K-6 is a new potash property located about 35 kilometers south of K-5 and covering the same favorable salt horizons and geologic structures. The five mining rights of K-6 belong to the same private party as those of K-5, and bring the area under mineral rights control to a total of 52,172 hectares.

Terms of the agreement including the additional K-6 asset are as follows:

Dates		Cash Payments		
Upon signing the LOI agreement		US$	25,000	(Paid)
Upon signing the definitive agreement		US$	125,000	(Paid)
March 31, 2013		US$	150,000	
March 31, 2014		US$	200,000	
March 31, 2015		US$	250,000	
March 31, 2016		US$	3,400,000	
	Total	US$	4,150,000	

Additionally, the owner retains a 2% NSR of which 1.5% Marifil is able to acquire upon payment of US$ 1,500,000. The remaining 0.5% can be acquired for an additional payment of US$ 1,500,000. There are no work obligations in the agreement. See the Company's press release dated May 8, 2012 titled "Marifil Signs Purchase Agreement For K-5 and K-6 Potash Properties" and available on SEDAR (www.sedar.com).

Marifil geologists have identified important sylvite (KCl) intervals in drill logs from 27 of the 52 holes drilled for oil on K-5, although nearly all of the holes show some degree of potash mineralization. Nine additional drill logs are still being analyzed. Significant drill hole intercepts have been identified in up to seven separate horizons ranging in depths from about 1,000 to 1,500 meters. Other drill hole potash intercepts have also been identified beyond the potential economic depth of 2,000 meters. Some of the main drill hole intercepts on K-5 are shown in the table below.

Drill Hole	Potash Intercept (m)	Grade (%KCL)
FM a17	4	45
FM 23	4	45
FM27	3.5	42
FM 29	3.5	45
RuC x-1	5.2	40

The entire drill results are posted on the company's website.

The K-6 target covers a large domal structure located between the K-5 and K-2 properties. There is only a single oil well data log available for this on the property. It shows a drill intercept of 2.8 meters grading 25% to 30% KCL at a depth of 627 meters. The favorable domal structure is about 5 kilometers wide and more than 30 kilometers long, giving a target area of 150 square kilometers.

Marifil has begun an aggressive marketing campaign to find a new partner or financing arrangement and is actively engaged in discussions with various parties.

9. Arroyo Verde, Gold & Copper, Chubut Province:

On January 10, 2012 the Company announced it had signed an option to purchase a 100% interest in the Arroyo Verde property in Chubut Province. The agreement is with a private party for 8 mine rights covering 14,963 hectares. The property includes both epithermal gold vein targets and a separate porphyry copper-molybdenum target. The project is adjacent to a main national highway and is 25 kilometers from the Atlantic coastline.

The terms of the agreement called for an initial payment of US$35,000 (paid) with escalating payments of US$735,000 over six years with a final payment of US$2,800,000 at the end of the sixth year, all totaling US$3,570,000. Additionally the seller retains a 1% Net Smelter Royalty ("NSR") which Marifil can acquire for a one-time payment of US$2,000,000.

A total of 120 drill holes and 19,525.53 meters have tested the Arroyo Verde Project. Of these holes, 25 holes (2,486 meters) were drilled by former optionee Pegasus Gold Corp and 13 holes (896.88 meters) were drilled by former optionee Minera Andes Ltd. and 82 holes (16,142.65 meters) were drilled by former optionee Portal Resources Ltd.

Between 2004 and 2007, Portal conducted an aggressive staged exploration program consisting of geologic mapping, geochemical sampling, geophysical surveying and drilling on the Arroyo Verde property. Portal identified two drilling targets of potential economic significance: The epithermal Principal Vein and sixteen kilometers south of it the Refugio-Porvenir porphyry copper-molybdenum system.

Portal Resources commissioned a NI 43-101 report for the property that includes a resource calculation for the Principal Vein, but the report was never filed with the securities commission; therefore the resources described below are not NI 43-101 compliant and investors should not rely on the numbers presented. It describes a zone of economic influence defined by 18 drill holes and 12 trenches with an inferred resource of 386,000 tonnes averaging 7.60 gpt Au and 277 gpt Ag. The true thickness of the vein within this zone of economic significance ranges from 0.29 meters to 3.9 meters and the grades range from 0.035 g/t Au equivalent to 80.96 gpt Au equivalent with a weighted average grade of 12.22 gpt Au equivalent and an average 1.67 meters true thickness. An additional inferred resource of 39,375 tonnes averaging 6.78 gpt Au and 135.30 gpt Ag, or 9.03 gpt gold equivalents, was calculated for the Hanging Wall Vein Number 1. The two inferred resources contain approximately 163,000 ounces gold equivalent. Marifil believes that infill drilling on the Principal Vein can be done to upgrade the resource estimate and further step-out drilling on the projected vein extensions may be able to significantly expand this resource. For more information please see our press release dated January 10, 2012 available on SEDAR. (www.sedar.com)

Portal's work also revealed the Refugio-Porvenir prospect by showing an open-ended 9 kilometer by 4 kilometer (36 sq. kilometers) induced polarization (IP) geophysical anomaly. They then made an initial test of this anomaly with 8 rotary holes and 1 diamond drill hole. This drilling yielded the discovery of a virgin porphyry copper system under about 200 meters of cover. In all, the drilling was based on the geological, geophysical and geochemical hypothesis that a large sulphide bearing intrusive occurs at depth. The Refugio-Porvenir molybdenum-copper porphyry system consists of stockwork stringers and veinlets containing molybdenum and base metal mineralization within the cupola of a monzogranite at the contact with an overlying rhyolitic ignimbrite. Mineralization consisting of molybdenum and minor copper-lead–zinc± barite was intercepted by the drilling in quartz-sulphide bearing stringers and stockwork within a porphyry monzogranite in contact with an overlying Jurassic rhyolite ignimbrite and sandstone. The best and most interesting drill results were encountered in the only core hole: PO-54, which intersected two zones of higher grade molybdenum mineralization within the porphyry monzogranite before passing into equigranular granite at depth. The first intersection at a depth of 284 meters encountered 176 meters averaging 0.031% Mo and the second intersection at a depth of 655 meters encountered 54.5 meters averaging 0.032% Mo. These two sections of mineralization contain elevated values up to 1% for copper, lead and zinc. All of the other drill holes also intersected significant porphyry-style mineralization.

Marifil's geologists believe this drilling has not established any limits on the extent and intensity of the mineralization at Refugio-Porvenir and that continued diamond core drilling is justified. Marifil is engaged in negotiations with potential joint venture partners for Arroyo Verde.

10. Cerro Samenta Norte & Cerro Samenta Sur, Porphyry Copper, Salta Province:

Cerro Samenta is a porphyry copper-molybdenum property located 270 kilometers west of the city of Salta in the Puna region of northwestern Argentina. Its median elevation is about 4,300 meters, and it is accessible by good roads year round. Marifil holds the property by 7 contiguous mines rights optioned from two private parties, known as Samenta Norte and Samenta Sur. The property package covers 5,308 hectares.

Both property purchase option agreements were signed on May 27, 2011. The agreements are very similar, each with approximately the same obligations to be borne by Marifil. The combined payment schedule is as follows:

Dates	Cash Payments		
Upon signing the LOI agreement	US$	31,500	(Paid)
Upon signing the definitive agreement	US$	16,500	(Paid)
November 27, 2011	US$	31,500	(Paid)
May 27, 2012	US$	42,000	(Paid)
November 27, 2012	US$	42,000	
May 27, 2013	US$	63,000	
November 27, 2013	US$	63,000	
May 27, 2014	US$	105,000	
November 27, 2014	US$	105,000	
May 27, 2015	US$	157,500	
November 27, 2015	US$	157,500	
May 27, 2015	US$	210,000	
	US$	6,300,000	
Total	US$	7,324,500	

Additionally, the two vendors each retain a 1% NSR which Marifil is able to acquire upon making a combined payment of US$ 2,100,000.

Teck Corporation explored the property from 1995 to 2000, carrying out various technical surveys and accomplishing 1,812 meters of diamond drilling in 13 holes. Teck dropped the property during a property dispute (later resolved) between underlying owners. Subsequently, Mansfield Minerals Inc. drilled 3 more holes before abandoning the property in 2001. Rio Tinto optioned the property and vended it to Peregrine Metals Ltd. in 2006. Peregrine re-processed the geophysical data and drilled an additional 5 holes for 1,608 meters. Peregrine and Rio Tinto dropped the property during the 2008 economic down turn. Several million dollars have been invested in the exploration of this property leaving Marifil with an excellent data base encompassing encouraging results to move forward with.

The property lies on the transverse continental scale Archibarca Lineament, which also localizes the world-class Escondida copper deposit situated 120 kilometers northwest of Samenta in Chile. A nest of porphyry copper-gold deposits on this structural corridor are being proven up by various companies within a fifty kilometer radius of Samenta, including the Taca Taca, Rio Grande and Lindero deposits.

At Cerro Samenta, two composite quartz monzonite stocks and related quartz feldspar porphyries intrude a series of stratified intermediate composition volcanics and older granites. The project comprises two large and separate intrusive centers, the Samenta Norte and Samenta Sur. Both areas display porphyry style copper and molybdenum sulfide mineralization within clustered and hydrothermally altered quartz monzonite and rhyolitic intrusives. Both of the sulfide systems show strong induced potential (I.P.) geophysical with coincident soil geochemical anomalies. Marifil believes that this very complex igneous intrusion geologic setting is highly favorable for the discovery of large porphyry copper deposits.

Samenta Norte is the site of a hydrothermal breccia plug and a leached capping over a porphyritic intrusive rock. The size and metal content of the breccia plug has not been delineated. A copper oxide deposit has been discovered on the flanks of it. A 1998 report by Codelco (Chile's national copper mining company) concluded that "Samenta Norte has the potential to host a copper oxide deposit of about 40 million tons grading about 0.5% copper." This is not a NI 43-101 compliant resource, and is only an estimate of target size and grade. The target estimate is based on geological mapping and geochemical rock sampling and two trenches; one of which cut 93 meters grading 0.47% copper and the second cut 87 meters grading 0.62% copper. A nearby drill hole returned 51 meters at 0.25% Cu, including 21 meters at 0.40% Cu before being prematurely bottomed at 55 meters.

On February 29, 2012 Marifil announced the results of its independent contractor re-sampling of the copper oxide trenches, which confirms the encouraging trench results. Among the trench sample assay returns are 165 meters at 1.1% Cu, another at 52 meters at 1.2% Cu, and another at 51 meters at 1.0% Cu. An acid soluble content of approximately 80% was estimated from the assay data. Marifil concludes from the results of this examination that a significant copper oxide deposit may be present and that additional trenching and shallow drilling are justified.

Additionally at Samenta Norte, Marifil and its independent technical consultants have concluded that neither the hydrothermal breccia plug nor the induced potential anomaly to the north of it have adequately been tested by drilling.

Samenta Sur is centered on a copper-in-soil anomaly measuring 400 meters by 1,400 meters covering a porphyritic intrusive with a leached cap and cut by numerous siliceous pebble dikes. It has been the focus of most of the past drilling. The better drill holes returned 84 meters at 0.23% Cu and 0.018% Mo and 122 meters averaging 0.17% Cu and 0.006% Mo. The number and depths of drill holes are sufficient to conclude that the potential for a porphyry Cu-Mo deposit of significant size is limited.

Marifil concludes that further work is warranted on Cerro Samenta, to include the exploration for copper oxide deposits and the drill testing of the hydrothermal breccia plug and the strong IP anomaly to the north of it. Marifil is in advanced negotiations with a major mining company and are awaiting receipt of a definitive contract.

11. Punta Colorado (Sierra Grande), limestone, Rio Negro Province:

This 900 hectare property is held by a concession from Rio Negro Province and is located next to a $38 million (1980 dollars) bulk loading dock on the Atlantic coast. The dock extends 1,200 meters 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 the 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 comprehensive drilling and sampling program followed by a market study to determine the property value and potential clients.

12. Lithium Properties:

The Company has identified numerous lithium properties in Argentina for future exploration and joint venture. In the last two years there has been a significant increase in interest in lithium projects. Marifil has seen this as 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 has acquired a number of properties through an option agreement and by staking properties which are prospective for lithium. Currently, Marifil has a total of 11 mine rights on 3 separate lithium brine properties aggregating 39,943 hectares.

The National Instrument 43-101 reports for the Salta Province and Catamarca Province claims can be viewed by linking to the Company's website www.marifilmines.com.

The Catamarca Province NI 43-101 report recommends a two phase program for a total cost of $1,500,000. Phase I, at an estimated cost of $225,000, will be comprised of additional sampling and geophysical work. Phase II, at an estimated cost of $1,275,000, will include 7,900 meters of drilling. This program will be sufficient to carry out an NI 43-101 compliant ore resource calculation on at least two or more of the claims.

On August 12, 2010, the Company signed an agreement with Renholn International ("Renholn"), a private company, whereby Renholn had the right to purchase all of Marifil's lithium claims in Salta and Catamarca Provinces.

Under the terms of the agreement, Renholn agreed to pay the Company US$500,000 in cash at a rate of US$125,000 on signing of the purchase agreement and US$125,000 per year for the next three years, as well as making a set amount of exploration expenditures on the projects. For more information on the Renholn transaction please see the Company's press release dated August 12, 2010 and titled "Marifil Sells Lithium Properties for US$5 Million" available on SEDAR (www.sedar.com)

On September 2, 2011, the Company terminated its agreement with Renholn for their non-performance in completing work requirements. The Company is now pursuing a new joint venture partner for these projects.

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

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

IAMGOLD was our former JV partner on this property, having spent approximately US$5 million on geophysics, surface sampling and reverse circulation and diamond core drilling. Their work revealed a number of high grade gold targets as well as a large base metal target. Of the numerous quartz vein intercepts, the two best are in drill hole CMDD03 with 2.4 meters of 27 g/t Au and drill hole CMRC09 with 6 meters of 11 g/t Au. Several companies have expressed interest in acquiring this large property position.

The soil samples in an undrilled area of the property grade up to 2% zinc. Further analysis of the data shows that the zinc anomalies coincide with a large induced polarization anomaly. The presence of molybdenum anomalies in the soil suggests that this area might be the surface expression of a porphyry molybdenum deposit.

14. Codihue, biogenic sulfur deposit, Neuquen Province:

This acquisition by staking, is an outgrowth of Marifil's Neuquén Basin potash program, and involves much the same sedimentary evaporate formations. Marifil holds 7 unencumbered mine rights covering 51,500 hectares. Marifil's pioneering work 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.

Surface evidence for an underlying sulphur deposit target at Codihue is very strong, and includes a gypsum horizon more than 200 meters thick which projects into the target area, a large collapsed anticlinal structure, karst-collapse features, deep-seated fractures, sulphurous springs, and outcrops of biogenetically altered evaporates resulting in porous beds of biocalcite; all evidence indicating replacement of gypsum by limestone.

Biogenic sulphur deposits are formed when hydrocarbons react with overlying gypsum deposits in the presence of anaerobic bacteria to reduce the sulphate ions of gypsum to polysulphides and/or hydrogen sulphide gas. The sulphides and hydrogen sulphide gas are oxidized to native sulphur in an anaerobic (oxygen free) environment. This process results in a 40% volume reduction of the gypsum as it is transformed into beds of biocalcite, or bioepigenetic limestone. The resulting loss of volume creates karsting and collapse features.

Biogenic sulphur deposits are amenable to solvent extraction by the Frasch process whereby hot water plus compressed air are forced down a triple tubed well and molten sulphur is lifted to the surface. The liquid sulphur can be shipped directly to end users. Sulphur's largest end use is in fertilizer but demand for sulphur to make sulphuric acid for leaching oxide copper deposits and uranium is a large and growing market. Argentina does not produce significant sulphur and Chile, Peru and Brazil are net importers.

An independent consultant completed a 43-101 report on Codihue in April 2010, noting "The Codihue Biogenic Sulfur Project is at a very early stage of exploration" and recommending a two phase exploration program involving drilling for a projected cost of US$1 million. We are actively seeking a partner to further this project or will include it with our other fertilizer mineral properties into a new company.

15. Mechanquil biogenic sulphur deposit, Mendoza Province:

The staking acquisition is an outgrowth of Marifil's Northern Neuquen Basin potash program. It is included in the K-4 land package. The surface evidence, geology, and extractive processes are identical to those described above for Codihue.

Marifil's geologists believe this to be a high priority target and are planning to either carry out a short drilling program or to farm the project out as part of our potash program.

16. Maipu, silver-lead-zinc, Santa Cruz Province:

The exploration target is a zone 70 meters to 90 meters wide and exposed for 500 meters vertically in a canyon. Similar outcrops occur 2,500 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 as soon as this regulatory delay is resolved.

17. 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.

18. Lago Fontana (Ferrocarillera), epithermal gold-silver plus base metals, Chubut Province:

The property consists of 16 mine rights covering 17,498 hectares, of which 11 of those mine rights are patented and cover 498 hectares. Marifil is current on its mining claims tax payments. The property is located in the Andean Mountain front near the Argentine Chile boarder next to Fontana Lake, with good access by road and 400 kilometres from the large city of Comodoro Rivadavia.

The patented claims cover old mine workings on high grade epithermal precious and base metal quartz veins in volcanic rocks. Historic resources (non-43-101 compliant) of Veta Ferrocarrilera are 840,000 tonnes with 1g/t Au, 10 g/t Ag, .03% Cu, 0.95% Pb and 0.78% Zn, while Cerro Cuchi Veta has 337,500 tonnes with 0.23 g/t Au, 10.75 g/t Ag, 0.65% Pb, 0.80% Zn and 0.10% Cu. Marifil believes that drilling may be able to increase these vein tonnages to up to 2,000,000 tonnes with good Zn, Pb grades and credits for Au-Ag-Cu.

This Project was optioned to Apex Silver Mines Ltd. on April 10, 2006. Apex began a comprehensive exploration program, finding strong stream sediment anomalies up to 43.3 g/t Au on extensions of the known mineralization, and further confirming the potential resource by extensive rock chip channel sampling yielding up to 0.51 g/t Au and 7.5% Pb and 5.3% Zn across 6.3 meters of vein width. The Apex exploration program was about 40% completed when in 2007 the Province enacted legislation to suspend mining activities along the front of the Andes Mountains including the Ferrocarillera project area. As a result, Apex opted to terminate its option agreement, however, Marifil does not believe this is to be a long term problem and plans to resume exploration activity following-up on the geochemical anomalies generated by Apex whenever the zone may be released for mineral development by the Provincial Legislature.

Results of Operations and Financial Condition
Selected Annual Information

Year Ended	December 31, 2011 IFRS	December 31, 2010 IFRS	December 31, 2009 CDN GAAP
Expenses			
General & administrative	(1,001,846)	(571,039)	(409,909)
Share-based compensation	(486,466)	(89,300)	-
Write-off of exploration and evaluation assets	(546,886)	-	(310,732)
Gain (loss) on sale of marketable securities	(4,436)	7,931	83,911
Other Income (expenses)	61,627	105,078	316,860
Loss attributable to noncontrolling interest	-	-	107,289
Loss for the year	(1,978,007)	(547,330)	(212,589)
Loss per share, basic and fully diluted	(0.03)	(0.01)	(0.01)
Total Assets	6,419,829	5,720,229	5,986,030
Shareholders' Equity	6,299,925	5,576,793	5,763,682

Summary of Quarterly Results

The table below sets forth selected results of operations for the Company's eight most recently completed quarters. The quarters of 2010 have been restated and presented in accordance with IFRS.

Description	Q3 Sep 30, 2012	Q2 June 30, 2012	Q1 March 31, 2012	Q4 Dec 31, 2011	Q3 Sep 30, 2011	Q2 June 30, 2011	Q1 March 31, 2011	Q4 Dec 31, 2010
Total Revenues	-	-	-	-	-	-	-	-
Loss	(329,067)(ii)	(443,963)(iv)	(305,028)(i)	(733,983)(iii)	(189,054)(ii)	(389,340)	(670,130)(i)	(351,860)(iii)
Basic and fully diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)
Total Assets	5,455,633	5,807,235	6,249,377	6,419,829	7,126,201	7,190,458	6,238,848	5,720,229

i. The Company experienced a larger than normal loss in the quarter ending March 31, 2011 mainly from recognizing $442,535 in stock based compensation expense and to a lesser extent from increased expenses related to investor relations, travel and promotion compared to other quarters.

ii. The Company had a larger recognized loss in the quarter ended September 30, 2012 compared to the same period ended in 2011 largely due to increased exploration activity in Argentina in 2012 compared to the same period in 2011.

iii. The Company had a larger recognized loss in the quarter ended December 31, 2011 compared to the same period in 2010 largely due to the Company writing off exploration projects that it had ceased working on.

iv. The Company experienced a larger than normal loss in the quarter ending June 30, 2012 compared to the same period ended in 2011 largerly due to the Company from recognizing $139,774 in stock based compensation expense and to a lesser extent from increased management and exploration expenses due to the increased exploration work conducted on new properties.

Q3 Results of Operations for the three months ended September 30, 2012 and 2011

During the three month period ended September 30, 2012, the Company incurred a loss of $271,583 compared to a loss of $184,618, in the same period of 2011. The increase in loss is largely due to three main factors, general exploration $63,939 (2011 - $3,155 recover), management $49,976 (2011 – $22,318) and stock based compensation $Nil (2011 - $29,154 recover). Increased general exploration and management expenditures were due to the increased exploration worked performed on existing and new properties in Argentina. There was no stock based compensation in the period, however there was a $29,154 recovery recorded in the prior period. These higher expenses were offset by an increased foreign exchange gain $9,052 (2011 - $41,901 loss).

Q3 Results of Operations for the nine months ended September 30, 2012 and 2011

During the nine month period ended September 30, 2012, the Company incurred a loss of $1,084,200 compared to a loss of $1,193,194 in the same period of 2011. The decrease in loss is largely due to one main factor. The stock based compensation of $ 139,774 (2011 - $486,466), offset by increases in general exploration $144,171 (2011 – $21,994), and management $125,861 (2011 – 60,974) due to the Company being more active in exploration activates in Argentina.

Results of Operations for the years ended December 31, 2011 and 2010

During the year ended December 31, 2011, the Company incurred losses of $1,978,007 compared to a loss of $547,330, in 2010. The increase in loss is largely due to two main factors. The first, the granting of options and recognizing the related share based compensation expense. The second, the write off of exploration projects the Company is no longer exploring.

Share based compensation: $486,466 for year ended (2010 - $89,300) – The Company granted 2,200,000 stock options during the 1st quarter of 2011, an additional 50,000 were issued during the period ended June 30, 2011 and an additional 75,000 vested during the period that were issued to a consultant of the Company. The stock based compensation expense is primarily affected by the number of options granted and vesting during the period, the strike price at grant date and stock-price volatility calculations used in the Black-Scholes option pricing model.

The Company recognized $546,886 during the year ended (2010 – $nil) for the write off of exploration projects it no longer was exploring.

Operating expenses for the year ended December 31, 2011(excluding share-based compensation and the write off of mineral properties) were $988,226 compared to $519,704 for the same period in 2010. Operating expenses were higher in 2011 compared to 2010 largely due to the Company being more activate with property acquisitions, marketing and management returning to full pay and to a lesser extent the additional accounting fees related to the adoption of IFRS by the Company. Expense details are as follows:

(a) Accounting and audit fees: $225,046 ($179,565 - 2010)
Accounting and Audit fees were higher during the year compared to 2010 as the Company had additional expenses related to the adoption of IFRS and additional audit fees.

(b) Consulting: $167,515 ($62,877 - 2010)
Consulting fees were higher largely due to the Company returning its Presidents monthly fee back to $10,000 a month, which was the same amount that was paid prior to the economic downturn as well as the Vice President being more active in the Company's day to day activates.

(c) Office and miscellaneous: $122,974 ($11,249 - 2010)
Office and miscellaneous fees increased as the Company had more expenses related to communication, postage and print materials, office rent in both the Canada and to a larger extent Argentina.

(d) Filing fees and investor relations: $179,801 ($98,120 - 2010)
Filing fees and investor relations increased as the Company had more investor relations activity during the year compared to 2010, this was largely related to the Company increasing the amount paid to its investor relations team from half pay to full pay, as well as the Company attending more investor conferences.

(e) Travel and promotion: $86,136 ($28,175- 2010)
Travel and promotion expenses increased as the Company had more travel expenses during this period compared to the same period in 2010; this was largely due to management traveling to Argentina and to a less extent management and investor relations staff traveling to investor conferences.

(f) Management expense: $84,748 ($Nil – 2010)
Management expense was higher in 2011 compared to 2010 as the Company's Argentine managers were more active managing personal and projects in Argentina in 2011 compared to 2010.

Liquidity and Capital Resources

The Company's working capital balance on September 30, 2012 was $436,949 compared to $1,533,337 at December 31, 2011.

Private Placements

During the three and nine month period ended September 30, 2012 the company did not complete any private placements.

Capital Resources

The Company's cash resources decreased by $1,326,963 (2011 - $1,959,401 increase) during the nine month period ended September 30, 2012. This decrease occurred for three main reasons. Firstly, the Company did not complete any significant finances during the period $50,400 (2011 - $2,219,174), secondly the company received significantly less proceeds for its resource properties (i.e. share and cash payments) $24,160 (2011 - $1,087,313), and thirdly cash outflows from operations were higher $1,098,221 (2011 - $812,304) due to increased exploration activities conducted in Argentina.

Cash, cash equivalents, and receivables approximate $201,000 as at November 26, 2012. Management is aware that it will need to conduct an equity financing or realize the proceeds from a resource property joint venture agreement, if it intends to continue conducting exploration activities, and if it intends maintain title on some of its existing properties. Management continues to monitor the capital markets for opportunities to raise additional funds.

As of November 26, 2012 the Company was in compliance with all Joint Venture and option agreements with property holders. The Company has begun discussions with some property owners to delay future property payments.

As of November 26, 2012, 2012, the Company has no major long term expenditure commitments with the exception of yearend audit fees and ongoing property option payments due to resource property owners.

If the Company was to miss an option payment with a property holder or was unable to negotiate a delay in a payment this could negatively affect the Company by jeopardizing the Company's rights and or title to the property or the Company's ownership percentage or rights in a JOINT venture agreement with another company.

Transactions with Related Parties

	Country of Incorporation	**Ownership Interest**	**Principal Activity**
Marifil SA	Argentina	100%	Mineral exploration
Oxbow Holding Corp.*	Canada	100%*	Mineral exploration

* The operations of Oxbow ere inactive as at September 30, 2012.

The remuneration of directors and other members of key management personnel during the three month period ended September 30, 2012, and 2011 were as follows:

		September 30, 2012		September 30, 2011
Accounting fees	$	18,000	$	25,037
Consulting fees		39,840		42,462
Director fees		7,500		3,322
	$	65,340	$	70,821

For the three month period ended September 30, 2012 and 2011, key management personnel were not paid post-employment benefits, termination benefits or any other long-term benefits.

At September 30 2012, accounts payable included $7,500 (2011 - $10,199) owing to directors of the Company and a company with a common officer for unpaid fees and reimbursement of expenses.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition transactions and in some cases makes proposals to acquire such properties. These proposals, which are usually subject to board, regulatory and sometimes shareholder approvals, may involve future payments, share issuances, and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of the date of this report, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

Financial Instruments

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include capital management, price risk, liquidity risk and currency risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in the shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets or incur debt. As at September 30, 2012 the Company does not have any debt instruments and is not subject to externally imposed capital requirements.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash and equivalents are invested in business accounts with quality financial institutions, are available on demand for the Company's programs, and are not invested in any asset backed commercial paper.

The majority of the Company's cash and equivalents are held with major Canadian based financial institutions.

(c) Currency Risk

The Company's operations are in Canada and Argentina. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company holds cash balances and incurs payables that are denominated in the Canadian Dollar, the United States Dollar and the Argentine Peso. These balances are subject to fluctuations in the exchange rate between the Canadian Dollar, and the United States Dollar and the Argentine Peso, resulting in currency gains or losses for the Company.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

(d) Inflation risk Argentina

Argentina has a history that includes high rates of inflation. This can affect the Company by increasing the cost of doing business in the country as well as decreasing the real value of Argentine pesos kept in the Company's bank account in Argentina.

In December of 2011, the consumer price index (CPI) of Argentina was 9.50% (December 2010 – 11%) this means inflation has been relatively stable over the last year, dropping 1.5%. The average CPI over the last 5 years in Argentina was 9.2%.

The Company limits the risk of inflation decreasing the real value of the Argentine pesos kept in its bank account by limiting the amount of funds kept within the country. The Company only transfers to the county funds necessary to pay current liabilities and does not maintain any large bank account balances within the country.

(e) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of precious and base metals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

The estimated fair value of financial assets is equal to their carrying values due to the short-term nature of these instruments. At September 30, 2012 and December 31, 2011, the Company's financial assets as follow:

As at September 30, 2012		**Stated in Canadian Dollars**				
Carrying Value		**Canadian Dollar**		**Total**		**Fair Value Adjustment**
Cash	$	253,756	$	253,756	$	-
Marketable Securities	$	83,215	$	83,215	$	(29,300)
Total other assets	$	14,081	$	14,081	$	-
Receivables	$	110,380	$	110,380	$	-

As at December 31, 2011		**Stated in Canadian Dollars**				
Carrying Value		**Canadian Dollar**		**Total**		**Fair Value Adjustment**
Cash	$	1,580,719	$	1,580,719	$	-
Marketable Securities	$	13,500	$	13,500	$	(4,500)
Total other assets	$	11,069	$	11,069	$	-
Receivables	$	47,953	$	47,953	$	-

As at September 30, 2012	Stated in Canadian Dollars		
Carrying Value	Canadian Dollar	Total	Fair Value Adjustment
Accounts Payable	$ 24,483	$ 24,483	$ -
Total Accounts Payable	$ 24,483	$ 24,483	$ -

As at December 31, 2011	Stated in Canadian Dollars		
Carrying Value	Canadian Dollar	Total	Fair Value Adjustment
Accounts Payable	$ 119,904	$ 119,904	$ -
Total Accounts Payable	$ 119,904	$ 119,904	$ -

Fair Value Hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data

As of September 30, 2012, the Company had Nil warrants outstanding. Stock options, granted to key employees, directors, officers and consultants, to purchase 4,630,000 shares were outstanding at various exercise prices. The fair value of cash and cash equivalents and other assets are measured based on level 1 of the fair value hierarchy.

The fair value of long term investments are measured based on level 3 of the fair value hierarchy.

Outstanding Share Data

The Company has authorized an unlimited number of common shares without par value. As of November 26, 2012, there were 64,241,883 shares issued and outstanding (December 2011 – 63,418,494) if all warrants and options issued were exercised, a total of 68,871,883 shares would be issued and outstanding.

As of the date of this filing the Company had 64,241,883 shares issued and outstanding.

Controls and Procedures

Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related unaudited condensed interim financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under Canadian Securities Administration regulations, as at June 30, 2012. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal controls over Financial Reporting

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes in th6ese controls during the period ending September 30, 2012 that had materially affected, or are reasonably likely to materially affect, such controls.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

CRITICAL ACCOUNTING ESTIMATES

The Company is a venture issuer; therefore, this section is not applicable.

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2012 and 2011 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning after January 1, 2011 or later years. None of these is expected to have a significant effect on the consolidated financial statements, except for the following:

The Company has early adopted amendments to IFRS 1 which replaces references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs'. This eliminates the need for the Company to restate derecognition transactions that occurred before the date of transition to IFRSs. The amendment is effective for year-ends beginning on or after July 1, 2011; however, the Company has early adopted the amendment. The impact of the amendment and early adoption is that the Company only applies IAS 39 derecognition requirements to transactions that occurred after the date of transition i.e. January 1, 2010.

- IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

- IFRS 10 Consolidated Financial Statements

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

- IFRS 11 Joint Arrangements

IFRS 11 describes the accounting for arrangements in which there is joint control; proportionate consolidation is not permitted for joint ventures (as newly defined). IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. The Company is yet to assess the full impact of IFRS 11 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

- IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company is yet to assess the full impact of IFRS 12 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

- IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

Investment Considerations and Risk Factors

An investment in securities of the Company involves a high degree of risk and must be considered highly speculative due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. In addition to information set out or incorporated by reference in this MD&A, prospective investors should carefully consider the risk factors set out below. Any one risk factor could materially affect the Company's financial condition and future operating results and could cause actual events to differ materially from those described in forward looking statements relating to the Company.

Exploration and Mining Risks

Resource exploration and development and mining operations are highly speculative and characterized by a number of significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to be mined profitability. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs will result in any discoveries of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered, a mineral property will be brought into commercial production. The Company will continue to rely upon the advice and work of consultants and others for exploration, development, construction and operating expertise.

Substantial expenditures are required to establish and upgrade mineral resources, to establish mineral reserves, to develop metallurgical processes to extract metals from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that the funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size and grade; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Unsuccessful exploration and development programs could have a material adverse impact on the Company's operations and financial condition.

Factors beyond the Company's Control

The mining exploration business is subject to a number of factors beyond the Company's control including changes in economic conditions, intense industry competition, variability in operating costs, changes in government and in rules and regulations of various regulatory authorities. An adverse change in any one of such factors would have a material adverse effect on the Company, its business and results of operations which might result in the Company not identifying a body of economic mineralization, completing the development of a mine according to specifications in a timely, cost effective manner or successfully developing mining activities on a profitable basis.

Uncertainty in the Estimation of Mineral Resources

The figures for mineral resources contained in this MD&A are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved. Actual reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. If the Company's actual mineral resources are less than current estimates or if the Company fails to develop its resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of inferred resource is often the least reliable resource category and is subject to the most variability. The Company regularly evaluates its resources and it often determines the merits of increasing the reliability of its overall resources.

Reliance on Independent Contractors

The Company's success depends to an extent on the performance and continued service of certain independent contractors. The Company has contracted the services of professional drillers and others for exploration, environmental, engineering and other services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on the Company, its business and results of operations and result in the Company failing to meet its business objectives.

Write downs and Impairments

Mining interests are the most significant assets of the Company and represent capitalized expenditures related to the development of mining properties and related plant and equipment and the value assigned to exploration potential on acquisition. The costs associated with mining properties are separately allocated to exploration potential and mineral resources and include acquired interests in exploration stage properties representing the fair value at the time they were acquired. The values of such mineral properties are primarily driven by the nature and amount of material interests believed to be contained or potentially contained, in properties to which they relate.

The Company reviews and evaluates its mining interests for impairment on a quarterly basis or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable, which becomes more of a risk in the global economic conditions that exist currently. Impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs. There are numerous uncertainties inherent in estimating mineral resources. Differences between management's assumptions and market conditions could have a material effect in the future on the Company's financial position and results of operation.

Foreign Operations

Part of the Company's operations are currently conducted in a foreign jurisdiction, Argentina, and as such, the Company's operations are exposed to various levels of political, economic, regulatory and other such risks and uncertainties such as extreme fluctuations in currency exchange rates; high rates of inflation; labor unrest; violence, terrorism or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in fiscal regimes, changes in royalty and taxation policies; uncertainty regarding enforceability of contractual rights and judgments; restrictions on foreign exchange and repatriation; changing political conditions, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

The Company's operations and properties are subject to a variety of governmental regulations governing health and worker safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

The Company's mineral exploration and mining activities in Argentina may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Company's activities or the maintenance of its properties.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Company's operations and financial condition. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations and financial condition.

Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on the Company's properties or in respect of any other projects in which the Company becomes involved. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties or other liabilities.

Title Risks

Although the Company believes that it has taken reasonable measures to ensure that title to the Company's properties are held by the Company, including obtaining title opinions, there is no guarantee that title to any of the claims comprising the Company's properties will not be challenged or impaired.

The Company's properties may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Company's properties that, if successful, could impair development or operations. A defect could result in the Company losing all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates.

Additional Funding Required

Further exploration on, and development of, the Company's properties may require significant additional financing. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through equity financing, debt financing, the joint venturing of projects or other external sources. Failure to obtain sufficient financing may result in a delay or an indefinite postponement of exploration, development or production on any or all of the Company's properties, or even a loss of property interest, or have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition or result in the substantial dilution of its interests in its properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company was required to arrange for Debt financing we would be exposed to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has and will continue to have negative operating cash flow until one or more of its mineral properties commence commercial production should exploration and development efforts demonstrate that commercial production from such mineral properties is feasible.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility. The Company is exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities or equity or debt financing in the future and, if obtained, on terms favorable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the common shares could be adversely affected

Fluctuations in Metal Prices and Currencies

The Company raises its equity in Canadian dollars and maintains its accounts in Canadian and US dollars as well as the Argentine peso. Foreign expenditures by the Company are subject to foreign currency fluctuations which may materially and adversely affect the Company's financial operations. Payments under certain of the Company's contracts are required to be paid in United States dollars. A substantial increase in the value of the United States dollar compared to the Canadian dollar would adversely affect the Company's expenses and would increase the percentage of the net proceeds of the Offering applied to such payments. The Company does not engage in any hedging or other transactions to protect itself against such currency fluctuations.

Market Price of Common Shares

The trading price of the common shares is likely to be significantly affected by short term changes in mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business; the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; and the price of the common shares and size of the Company's public float may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution to Common Shares

During the life of the Company's outstanding common share purchase warrants, as well as options and other rights granted or assumed by the Company, if any, the holders are given an opportunity to profit from a rise in the market price of the common shares. The Company's ability to obtain additional financing during the period such rights are outstanding may be adversely affected and the existence of the rights may have an adverse effect on the price of the common shares. The holders of common share purchase warrants, options and other rights of the Company may exercise such securities at a time when the Company would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favorable than those provided by the outstanding rights.

The increase in the number of common shares in the market and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional common shares, the voting power of the Company's existing shareholders will be diluted.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares.

Volatility of Share Price

The price of the shares of resource companies tends to be volatile, as has been particularly evidenced during the recent economic crisis. The market price of the common shares has experienced wide fluctuations which may not necessarily be related to the operating performance, underlying asset values or prospects of the Company. Fluctuations in the market price for precious metals and other elements which are beyond the control of the Company could materially affect the price of the securities of the Company.

Future Profits or Losses and Production Revenues and Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as required consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company’s properties and any other properties that the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants’ analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the Company's acquisition of additional properties, in addition to other factors, many of which are beyond the Company's control.

The Company expects to incur expenditures and losses unless and until such time as the Company’s properties may acquire achieve a sufficient level of commercial production and revenues to fund continuing operations. The development of the Company’s properties will require the commitment of substantial resources to conduct the time consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability, nor can there be any assurance that the underlying assumed levels of expenses will prove to be accurate.

Labor and Employment Matters

While the Company has good relations with its contractors and employees, its operations are dependent upon the efforts of its employees. In addition, relations between the Company and its employees may be affected by changes in the scheme of labor relations that may be introduced by the relevant governmental authorities in jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company’s operations and financial condition.

Acquisitions and Integration

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company’s business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company’s success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company’s ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. If the Company chooses to raise debt capital to finance any such acquisition, the Company’s leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Competition

The Company's business is intensely competitive in all of its phases and the Company will compete with other mining companies for natural resource acquisition opportunities, many of which have greater resources and technical facilities than the Company. Competition in the mining industry is primarily for mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop, and operate such properties; the skilled labor to operate such properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but also conduct refining and marketing operations on a world-wide basis. Such competition may result in the Company being unable to (i) acquire desired properties, (ii) recruit or retain qualified employees or (iii) raise or generate the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on its operations, financial condition and trading price of the securities of the Company.

Loss of Key Employees

The Company depends on the business and technical expertise of a number of key personnel, including its directors and executive officers and key personnel working fulltime in management and administrative capacities or as consultants.

The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's exploration and development activities expand, it will require additional key personnel. The Company does not maintain life insurance for such personnel. The loss of any key personnel, or the failure to retain such personnel, could have a material adverse effect on the Company's operations and financial condition.

Litigation and Tax Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's operations and financial position.

The Company's joint venture interests are subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events, for example, could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on future cash flows, earnings, results of operations and financial condition: disagreement with joint venture partners on previous exploration results or future exploration programs; inability of joint venture partners to meet their obligations to the joint venture or third parties; or litigation arising between joint venture partners regarding joint venture matters.

Certain of the officers and directors of the Company reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and officers not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and officers judgments obtained in Canadian courts.

No History of Dividends

Investors cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is likely investors will not receive any return on their investment in the Company's securities other than possible capital gains.

Conflicts of Interest

Certain directors and officers of the Company are also directors or officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Directors and officers with conflicts of interests will be subject to, and will follow the procedures set out in, applicable corporate and securities legislation. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

These risk factors could materially affect the Company's future results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Certain statements contained in this document constitute "forward looking" statements. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward looking statements.

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.