



Management Discussion & Analysis for the Year Ended May 31, 2009 September 23, 2009

Management's Discussion and Analysis (MD&A) is intended to help the reader understand the Mansfield Minerals Inc. (the "Company" or "Mansfield") financial statements. The information provided herein should be read in conjunction with the Company's audited financial statements and notes for the years ended May 31, 2009 and 2008. The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure the information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review Company statutory filings on www.sedar.com and to review general information including reports and maps on the Company's website at www.mansfieldminerals.com.

DESCRIPTION OF BUSINESS AND OVERVIEW

Mansfield has focused its activities in the Puna region of northwestern Argentina since August 1994. Management first conducted preliminary reconnaissance during January 1994; timing of this initial foray into northwestern Argentina coincided with the Argentinean government revamping a previously untenable Mining Law. In particular, in Salta Province, where the Company's project is located, the government has implemented mining development as a key part of their economic plan and has put into play a number of pro-mining initiatives. This has now gained worldwide recognition in industry and financial circles.

Over recent weeks, the gold market has been trading in a very narrow bandwidth within a small margin of a definitive technical breakout through the strong resistance range of US\$1,020/oz. The continuing debasement of a large proportion of fiat currencies worldwide is lending strong support for hard currencies. This trend will likely persist as long as a climate of low interest rates and large U.S. government deficits persist.

The following is a summary of the past year's significant milestones:

- The Company completed its plan of arrangement ("Plan of Arrangement") to spin-out certain of the Company's assets into a new company, Pachamama Resources Ltd. ("Pachamama") which came to trade on November 28, 2008 on the TSX-V under the trading symbol "PMA". The Company spun-out all of its exploration stage properties, including the Rio Grande property, to Pachamama. The Company maintained its ownership interest in the Lindero property, which will be the Company's main focus going forward. The Company also transferred over certain cash and investment securities to Pachamama as part of the Plan of Arrangement. The Plan of Arrangement provided that each existing common share of the Company was exchanged for one new common share of the Company, and one common share of Pachamama. Management believes that the spin-out will permit the Company's shareholders to realize the value of the Company's Lindero property through continued ownership of the Company's common shares, while retaining the upside potential associated with the Company's other exploration and development properties through ownership of Pachamama common shares.
- The Company has commissioned AMEC Americas Limited to over-see the compilation and completion of its prefeasibility study on the heap leachable Lindero oxide gold deposit.

- The Company has initiated mine permitting in Salta Province with Vector Argentina S.A. spearheading this process.

The Company currently has working capital of approximately \$1,100,000 and investments of approximately \$1,600,000.

MINERAL PROJECT REVIEW

This review has been prepared by John M. Leask, P.Eng., a Director of the Company, and a Qualified Person (“QP”) as defined by National Instrument 43-101 (Standards of Disclosure for Mineral Projects).

The Company’s current portfolio now consists solely of the 100% owned Lindero oxide gold project located in northwestern Argentina. The property covers 3,500 hectares (13.50 square miles).

Under the Plan of Arrangement, the Company transferred the following projects to Pachamama during the year:

Property	Location
Aguas Calientes	Jujuy Province, Argentina
Campo Casablanca	Salta Province, Argentina
Catua	Jujuy Province, Argentina
Desierto	Salta Province, Argentina
El Camino	Salta Province, Argentina
La Frontera	Catamarca Province, Argentina
Oscuro	Salta Province, Argentina
Rio Grande	Salta Province, Argentina
Fireweed	British Columbia, Canada

Lindero Project, Argentina

During the year, the Company commissioned an engineering group, AMEC Americas Limited, to oversee the completion of the previously commenced prefeasibility study on its 100% owned Lindero heap leach oxide gold project located in Argentina. The current time-line estimates the completion date to be late Q4 2009. The AMEC prefeasibility study is presently modeling a heap-leach operation which suggests an open pit mining rate (total material moved) from 12 to 22 million tonnes per annum. This mining rate is expected to deliver 7 to 9 million tonnes per year to the leach pad. The projected strip ratio is in the 1.0 to 1.3:1 range. Heap leach oxide gold recovery is estimated at 70%+ (previously announced). The Lindero gold deposit hosts an NI 43-101 compliant measured and indicated oxide gold resource of 70.3 MT grading 0.72 grams/tonne containing 1.6 million oz gold. There is an additional 270,000 oz gold at 0.61 grams/tonne in the inferred category (Golder Associates, 2008). The afore-mentioned resources are calculated at a cut-off grade of 0.45 grams/tonne gold. A 24 month construction period prior to production and 24 month reclamation post production period, including rinse-down, are contemplated. The above projections are based upon the project metrics that are presently known, however the Company cautions that the mineral resources are not mineral reserves and have not been demonstrated to be economically viable.

Metallurgy

In an attempt to optimize size gradations and attendant leach recoveries on the project, the Company has been experimenting with several crushing systems including; a High Pressure Grind Roll system (“HPGR”) manufactured by KHD Humboldt Wedag of Cologne, Germany; a Vertical Shaft Impactor Crusher system produced by REMco of Livermore, California; and a cone crushing system developed by Metso Minerals and Research Test Center in Milwaukee, Wisconsin. Each test comprised over 500kg of material. The Company was most encouraged by the size gradations received from the HPGR system. Subsequent to the most recent crushing tests, the Company initiated six large diameter columns, comprising two columns of material from each of the three crushing tests. The columns are being run at Kappes Cassiday’s lab facility in Reno, Nevada under the direction of American Au-Ag Associates, a Qualified Person as defined by National Instrument 43-101 (Standards of Disclosure for Mineral Projects). Column testing has currently been running for approximately 50 days and will continue while recoveries are still increasing. Past tests have shown that mineralized rock from Lindero continues to recover for periods of over one year. For practical purposes, the testing will cease when incremental increases have negligible economic impact on the project.

Mine Permitting

The Company has engaged Vector Argentina S.A., a division of an international engineering group, to execute the mine permitting process in Salta Province, Argentina. Mine permitting in this jurisdiction is largely comprised of a comprehensive Environmental Assessment Study coupled with a Socio-economic Impact Study. Submittal of the prefeasibility study to a multi-disciplinary Mine Environmental Evaluation Commission is required to obtain final approval for the mine construction to commence.

Mining Reserve Estimate

AMEC has been vested with the mandate of determining a mining reserve, mining method, and a mining schedule. AMEC will also determine the economic metrics for Lindero including a set of Net Present Values and Internal Rates of Return for varying gold prices, production rates and capital costs.

Prefeasibility to Feasibility

In many respects, the level of investigation that the Company is undertaking to produce the Lindero prefeasibility study ("PFS") exceeds by a significant margin the minimum requirements of a standard PFS. Mansfield has executed three test blasts totaling 30,000 tonnes, five diamond drill holes for 1,200 metres of geotechnical drilling in the projected pitshell, and extensive crushing tests in tandem with comprehensive column testing on 50 columns. This work will significantly reduce the requirements to upgrade the PFS to a full-blown feasibility study.

The following table summarizes the mineral resource estimate for the property.

Summary of Mineral Resource Estimate						
		Measured & Indicated		Inferred		
Cut-off (g/t)	Grade Au (g/t)	Tonnes (MT)	Au (MOz)	Grade Au g/t	Tonnage (MT)	Au (MOz)
0.40	0.67	82.3	1.79	0.55	18.9	0.33
0.45	0.72	70.3	1.62	0.61	13.5	0.27
0.50	0.76	59.6	1.45	0.65	10.1	0.21
0.60	0.85	42.4	1.15	0.74	5.5	0.13

The mineral resources stated above do not constitute mineral reserves as economic viability has yet to be demonstrated.

OPERATIONS AND FINANCIAL CONDITION

Selected Annual Information

The following selected annual financial information is derived from the audited annual financial statements of the Company prepared in accordance with Canadian generally accepted accounting principles.

All in \$1,000's except Loss per Share and # of Shares	Audited (Fiscal Year ended May 31)		
	2009	Pre-carve-out 2008	Pre-carve-out 2007
Working capital	\$ 2,036	\$ 8,215	\$ 16,497
Write off of expl. & dev. expenses	40	174	133
Gen. & admin. expenses	1,479	1,627	1,166
Net income (loss)	(6,243)	230	(3,190)
Income (loss) per share	(0.14)	0.01	(0.09)
Income (loss) per share (fully diluted)	(0.14)	0.01	(0.09)
Total assets	14,817	39,844	29,683
Deferred exploration & development	11,328	11,746	7,185
Other non-current assets	1,287	19,054	5,692
Total long term liabilities	741	1,025	960
Share capital: ⁽¹⁾⁽²⁾	50,066	60,645	59,787
Number of Shares: ⁽¹⁾⁽²⁾	44,124,221	44,124,221	42,774,221
Retained deficit	45,565	39,322	39,552

⁽¹⁾ The Company has only one kind and class of shares issued and outstanding, being common shares.

⁽²⁾ No dividends were paid during the years reported above.

Results of Operations

Year ended May 31 2009 and May 31 2008

Loss for the year ended May 31 decreased from net income of \$230,231 or \$0.01 per share in 2008 to a net loss of \$6,243,052 or \$0.14 per share in 2009. If the write-off of deferred exploration costs of \$174,372 in 2008 and \$39,527 in 2009 and the future income tax loss amount of \$2,115,115 (2008 recovery of \$2,640,858) is excluded, the loss has increased from \$2,236,255 in 2008 to \$4,088,410 in 2009. Write-off of deferred exploration costs in 2008 and 2009 consisted of costs associated with general exploration expenses in Argentina. The increase in the loss after write-off of deferred exploration costs between 2008 and 2009 is primarily due to an increase in consulting fees, management fees, legal fees and interest income as well as a significant non-cash adjustment in foreign currency translation offset by lower costs associated with non-cash stock-based compensation and lower travel expenses.

There was \$121,621 of interest income for the period ending May 31, 2009, compared to \$405,290 for the same period of 2008.

Expenses for 2009 include consulting fees, investor relations and shareholder information costs and management fees totalling \$942,173 which was an increase from 2008 when these items totalled \$494,125 (after "carve-out").

Prepaid expenses and receivables at May 31, 2009 were \$164,119 down from \$266,206 in 2008.

Exploration expenditure additions net of option payments totalled \$2,491,621 in 2009, down from \$4,325,330 for the same period in 2008. Investment in capital equipment decreased from \$50,170 in 2008 to \$Nil in 2009.

The Company's activities were focused on development of the Lindero deposit.

Summary of Quarterly Results

The following is a summary of certain selected unaudited financial information for the most recent eight fiscal quarters comprising the Company's preceding two fiscal years:

Unaudited (Fiscal Quarters of the Fiscal Year ended May 31, 2009)

All in \$1,000's except Loss per Share	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Working capital	\$ 11,786	\$ 3,086	\$ 2,618	\$ 2,036
Loss (recovery)	\$ (411)	\$ 3,271	\$ 976	\$ 2,407
Loss (recovery) per share	\$ (0.009)	\$ 0.074	\$ 0.022	\$ 0.055
Loss (recovery) per share (fully diluted)	\$ (0.009)	\$ 0.074	\$ 0.022	\$ 0.055
Total assets	\$ 32,857	\$ 14,715	\$ 14,495	\$ 14,817
Total liabilities	\$ 1,979	\$ 868	\$ 760	\$ 908
Deficit	\$ 38,911	\$ 42,182	\$ 43,158	\$ 45,565

Unaudited (Fiscal Quarters of the Fiscal Year ended May 31, 2008)

All in \$1,000's except Loss per Share	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Working capital	\$ 16,144	\$ 12,783	\$ 11,870	\$ 8,215
Loss (recovery)	\$ (130)	\$ 411	\$ 2,202	\$ (2,713)
Loss (recovery) per share	\$ (0.003)	\$ 0.010	\$ 0.051	\$ (0.06)
Loss (recovery) per share (fully diluted)	\$ (0.003)	\$ 0.010	\$ 0.051	\$ (0.06)
Total assets	\$ 35,521	\$ 36,998	\$ 38,021	\$ 39,844
Total liabilities	\$ 1,049	\$ 1,319	\$ 1,198	\$ 1,854
Deficit	\$ 39,422	\$ 39,834	\$ 42,035	\$ 39,322

Fourth Quarter ended May 31 2009

The Company's loss for the quarter ended May 31, 2009 totalled \$2,407,752, a loss of \$0.055 per share, as compared to a loss of \$976,368 (\$0.022 loss per share) for the quarter ended February 29, 2009 [(loss for the quarters: November 30, 2008 – \$3,270,644 (\$0.074 loss per share); August 31, 2008 – income of \$411,712 (\$0.009 gain per share)]. A write-off of deferred exploration costs of \$39,527 (total recovery for the nine months ended February 29, 2009 was \$4,511), and a stock-based compensation charge of \$20,506 (total stock-based compensation costs for the nine months ended February 29, 2009 were \$880,280) offset by an increase of \$14,235 in interest income (total interest income for the nine months ended February 29, 2009 was \$107,386) contributed to the current quarter's loss.

Administrative expenses totalled \$300,053 excluding stock-based compensation expense of \$20,506 (February 29, 2009 quarter - \$207,240, excluding stock-based compensation expense of \$814,452). Interest income as well as other expenses which affect the loss fluctuate from quarter to quarter and consist of realized and unrealized gains on disposal of long-term investment securities and gain on disposal of equipment, which do not occur on a regular basis.

The Company's cash and cash equivalents decreased by \$565,512 during the quarter ended May 31, 2009, from \$2,603,222 as at February 29, 2009 to \$2,037,710 as at May 31, 2009. Cash resources provided by operations totalled \$222,513 and used in investing activities, \$762,446 (\$796,939 cash used in deferred exploration costs).

The Company's activities continued to be focused on development of the Lindero deposit.

Liquidity

Cash and cash equivalents at May 31, 2009 totalled \$2,037,710 compared to \$8,655,045 at May 31, 2008. Working capital at May 31, 2009 was \$2,035,681 compared to \$8,215,311 as at May 31, 2008. Deferred exploration costs at May 31, 2009; all in Argentina, totalled \$11,328,439 compared to \$11,745,733 at May 31, 2008. Cash provided by investing activities during the year ended May 31, 2009 was \$2,103,919 in comparison to cash used of \$4,314,310 in 2008. The Company invested \$Nil in equipment during the year ended May 31, 2009 (2008 - \$50,170). During 2009, the Company recorded proceeds from disposal of long-term investment securities of \$4,561,250. Cash used in financing activities during the year ended May 31, 2009 was \$7,816,234, representing the funding provided to Pachamama pursuant to the Plan of Arrangement compared to a provision of \$687,000 for the year ended May 31, 2008.

At the date of these consolidated financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its mineral property interests. The ability of the Company to realize the costs it has incurred to date on these mineral property interests is dependent upon the Company being able to lever its property interests and cash, by way of exploration activities and option/joint ventures, into assets of greater value.

Capital Resources

The Company's authorized capital consists of an unlimited number of common shares without par value. At May 31, 2009 the Company had 44,124,221 issued and outstanding common shares (May 31, 2008 - 44,124,221) and at September 15, 2009 the Company had 44,124,221 issued and outstanding shares.

The Company adopted a formal written stock option plan ("Stock Option Plan") on October 9, 2002. Under this plan, the Company may grant options for up to 5,019,516 common shares to directors, employees and consultants at exercise prices to be determined by the market value on the date of grant. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted with the exception of options granted in relation to investor relations. Options granted to consultants engaged in investor relations activities must vest no earlier than as to one-quarter upon the grant date and as to a further one-quarter after each of the following three four-month periods. The options can be granted for a maximum term of 5 years. At the Annual General Meeting on October 28, 2005, the Shareholders approved an amendment to the Stock Option Plan to reflect the Company's increased issued and outstanding capital. As a result, the Company may now grant options for up to 5,964,916 common shares. The Stock Option Plan and amendment were approved by the TSX Venture Exchange (the "Exchange") on November 22, 2002 and November 19, 2005, respectively.

During the year ended May 31, 2009, 4,475,000 stock options were exercised and 4,475,000 stock options were granted. As at May 31, 2009 the Company had 4,425,000 stock options outstanding at exercise prices ranging from \$0.23 per share to \$0.40 per share with expiry dates ranging from April 7, 2011 to December 29, 2013. Subsequent to May 31, 2009, there were no options granted or exercised. If exercised, the remaining 4,425,000 stock options would increase the Company's available cash by \$1,026,250.

During the year ended May 31, 2009, the Company did not issue any other shares other than for the exercise of stock options as described above but did amend pricing of 330,000 warrants from \$3.00 to \$1.50, which expired on March 27, 2009. As at May 31, 2009, the Company had no warrants outstanding.

Related Party Transactions

The Company entered into the following transactions with related parties as follows:

During the year ended May 31, 2009, the Company paid or accrued consulting fees in the amount of \$47,040 (2008 - \$Nil) to companies controlled by directors.

During the year ended May 31, 2009, the Company paid or accrued management fees in the amount of \$538,600 (2008 - \$240,000) to companies controlled by directors.

During the year ended May 31, 2009, the Company paid or accrued administrative fees in the amount of \$243,439 (2008 - \$121,280) to officers and to companies controlled by directors of the Company.

Amounts payable to related parties have no specific terms of repayment, are unsecured, and have no interest rate. The amounts charged to the Company for the services provided have been determined by negotiation among the parties and are covered by signed agreements. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Shareholder Rights Plan

In September 2007, the Company adopted a Shareholder Rights Plan to provide the Board of Directors of the Company and the shareholders more time to consider fully any unsolicited take-over bid for the Company. The Shareholder Rights Plan was ratified at the Company's Annual General Meeting held on November 29, 2007 and accepted for filing by the TSX Venture Exchange on January 9, 2008.

Risks and Uncertainties

The Company's financial success will be dependent upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations.

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by the annual filings.

Based upon the evaluation described above, the Chief Executive Officer and the Chief Financial Officer concluded that as of the end of the period covered by the annual filings, the Company's disclosure controls and procedures were effective in timely alerting them to the material information relating to the Company (or its consolidated subsidiaries) required to be included in reports that the Company files.

Forward Looking Statements

All statements in this report that do not directly and exclusively relate to historical facts, constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties, and other factors of which many are beyond the control of the Company. Actual results may differ materially from results contemplated by the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include changes in metal prices, changes in the availability of funding, unanticipated changes in key management personnel and general economic conditions. Mining is an inherently risky business. Accordingly the actual events may differ materially from those projected in the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Company does not undertake to update any forward looking statements, oral or written, made by itself or on its behalf.

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CAPITALIZATION

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STOCK EXCHANGE

Listed: TSX Venture Exchange
Symbol: MDR-V