



Management's Discussion and Analysis

**Second Quarter Report for the
Period Ending November 30, 2011**

January 27, 2012

This discussion and analysis of the consolidated operating results and financial condition of the Company for the six months ended November 30, 2011 and 2010 should be read in conjunction with the Consolidated Financial Statements and the related Notes for the six months then ended. All dollar amounts are in Canadian dollars.

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 is a mineral exploration company led by a team of experienced engineers and geologists. The Company began exploration in Argentina in 1994 and has since discovered a number of new mineral occurrences. Mansfield's core asset is its wholly owned Lindero gold deposit which hosts a NI 43-101 compliant gold reserve of 1.92 million ounces of gold within a 2.95 million ounce resource. The Arizaro porphyry copper-gold target is located within the 35 square kilometre Lindero property. In 2008, the Company elected to dividend out a number of its exploration stage properties into a new Company, Pachamama Resources Ltd. (PMA - TSX:V), in order to focus its efforts on developing the Lindero deposit. Each existing common share of the Company was exchanged for one new common share of Mansfield and one common share of Pachamama.

The following is a summary of the significant milestones that have occurred since the beginning of the period:

- In September 2011, the Company adopted a Shareholder Rights Plan substantially similar to the Company's predecessor plan which expired in September.
- In October 2011, the Salta Provincial Government granted the Company an environmental permit allowing the Company to develop the Lindero open pit, heap leach gold mine.
- In November 2011, the Company reported drill results from its second drill program on the Arizaro gold-copper porphyry system located within the Lindero project.

MINERAL PROPERTY REVIEW

This review has been prepared by the Company's geologic staff under the supervision of Gordon P. Leask, P.Eng., President, director and CEO of the Company, and a Qualified Person ("QP") as defined by National Instrument 43-101 (Standards of Disclosure for Mineral Projects).

Lindero Project, Argentina

The Company's portfolio consists solely of the Lindero project which hosts the Lindero heap leach oxide gold deposit and the Arizaro porphyry Au-Cu prospect. Lindero is 100% owned by the Company and covers 35 sq kilometres (13.50 square miles) in Salta Province, northwestern Argentina.

Lindero Deposit

The Company previously announced results from a National Instrument 43-101 compliant pre-feasibility study (the “Study”) for its 100% owned Lindero gold project in Salta Province, Argentina. The Study was completed by AMEC in association with American Au Ag Associates and Kappes, Cassidy & Associates. The Study contemplates conventional open pit mining operation and heap leach gold recovery. Over the initial three years of production 31.9 million tonnes of ore will be mined at an average grade of 0.81 grams/tonne containing 830,000 oz of gold. Leach kinetics provide for the recovery of 499,700 oz/gold in years 1-3 with the remaining 83,800 oz recovered as leaching proceeds based on a 70.31% recovery. Heap leaching over the first five years will produce an average of 161,000 ounces of gold at a cash cost of US\$373 per ounce. Highlights of the project economic estimates are summarized below.

Pre-tax Project Economics⁽¹⁾⁽²⁾

Gold price (\$US/oz)	Net Present Value (US\$ million)			IRR (%)	Payback (years)
	Discount Rate (%)				
	4.0%	6.0%	8.0%		
\$850 ⁽³⁾	\$237	\$194	\$157	25.9%	2.8
\$975	\$363	\$305	\$256	35.4%	2.2
\$1,100	\$490	\$416	\$355	44.1%	1.9

1. Project economics have been reported by AMEC on a pre-tax basis.
2. Project economics include a Boca Mina 3% net revenue provincial royalty.
3. Base case project scenario.

The mine plan in the Study is based on measured and indicated gold resources of 2.2 million ounces of gold at a 0.20 g/t cut-off. In parallel with project development, management is currently considering further drilling with the objective of converting a portion of the additional 750,000 ounces of gold in the inferred resource category to the measured and indicated category at a 0.20 g/t gold cut-off.

Operating Summary

		Life of Mine Total	Years 1-5 Annual Average	Life of Mine Annual Average
Ore Production	million tonnes	101.1	10.7	10.6
Waste Production	million tonnes	90.5	13.1	9.5
Strip Ratio	(waste:ore)	0.90	0.82	0.88
Gold Head Grade	g/t	0.59	0.72	0.59
Metallurgical Recovery	%	70.31		
Payable Gold Production⁽¹⁾	000 oz	1,357	161	124
Mining Cost⁽²⁾	US\$/tonne	1.11	0.98	1.11
Processing Cost	US\$/tonne	2.24	2.19	2.24
G&A Cost	US\$/tonne	0.85	0.84	0.85
Cash Operating Cost	US\$/oz	407	373	407

1. After refining and treatment charges.
2. Considering total material moved.

Capital Costs

Initial capital⁽³⁾	US\$ 213 million
Sustaining capital	US\$ 15 million

3. Includes a contingency of US\$18 million.

Reserves and Resources⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾

	Cut Off Grade (g/t)	Tonnes (000's)	Average Grade (g/t)	Contained Gold (M oz)
Proven Reserve	0.19	27,929	0.76	0.69
Probable Reserve	0.19	73,169	0.52	1.24
Proven & Probable Reserve	0.19	101,098	0.59	1.92
Measured	0.20	28,400	0.76	0.70
Indicated	0.20	94,200	0.50	1.50
Measured & Indicated Resource	0.20	122,600	0.56	2.20
Inferred Resource	0.20	59,000	0.40	0.75
Measured	0.40	23,800	0.85	0.65
Indicated	0.40	48,100	0.68	1.06
Measured & Indicated Resource	0.40	71,900	0.74	1.71
Inferred Resource	0.40	19,400	0.59	0.37

1. CIM definitions were followed for estimation of Mineral Resources and Mineral Reserves.
2. Mineral Resources were constrained within an economic open pit shell, generated using a gold price of US\$890 per ounce of gold, a processing cost of \$3.07 per tonne, a mining cost of \$1.10, a sales cost of \$12 per ounce and a metallurgical recovery of 70%.
3. Mineral Reserves are estimated using a cut-off grade of 0.19 g/t Au, based on a gold price of US\$775 per ounce.
4. Mineral Resources are inclusive of Mineral Reserves.
5. Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

Update

Different production options are being assessed from a standard 10 year life of mine production plan to more selective mining approaches that would allow for initial processing of higher grade ore at reduced throughput, to reduce initial capital cost, followed by scaling up of the operation utilizing the early project cash flow. This strategy, if pursued, would reduce the initial project financing requirement and the associated capital risk and payback period.

AMEC is currently working on a bankable feasibility study with completion anticipated by Q1 – 2012. Management believes the deposit could progress to production by Q4 – 2013.

In October 2011, the Company received notice from the Salta Provincial Government that it has granted the environmental permit (*DIA, Declaracion de Impacto Ambiental*) allowing the Company to develop the Lindero open pit, heap leach gold mine. This is the primary permit required for project development. Lindero is the first bulk tonnage open pit gold deposit to be permitted in Salta Province.

Arizaro Porphyry System

The Arizaro porphyry body was identified prior to the discovery of the Lindero gold deposit in 1999. Management initially believed that the surface alteration zone reflected a more deeply eroded porphyry system with geologic similarities to the nearby Rio Grande property. During a field traverse in late 2010, a well mineralized copper-gold breccia fragment was discovered in an otherwise un-mineralized fragmental body. The mineralized fragment was interpreted to be sourced from a mineralized system at depth. Drilling has now confirmed that Arizaro is not deeply eroded and possesses significant exploration potential.

In November 2011, the Company reported drill results from its second drill program on the Arizaro gold-copper porphyry system. The porphyry discovery is located 3 km southeast of the Lindero gold deposit. A total of 8 drill holes (3,123 metres) were completed with results reported below.

The Arizaro porphyry system, as defined by drilling, surface sampling and mapped alteration, covers a 600 metre by 500 metre surface area. Gold - copper mineralization occurs from surface to a true vertical depth of 300 metres and remains open for expansion in all directions. Mansfield has tested the discovery with 16 drill holes, all of which have significant mineralized intercepts.

The most recent drill campaign confirms management's belief that Arizaro is a significant gold-copper porphyry system. Arizaro is a gold dominated porphyry system in the Rio Grande – Lindero gold-copper district. Given the limited number of drill holes at Arizaro, and the fact that 4 of the 8 holes encountered individual 2 metre assay intervals exceeding 2.5 g/t gold with a maximum of 4.6 g/t gold, management is extremely encouraged with the gold potential in the discovery. Geological compilation work is underway, including surface mapping, drill hole alteration mapping, and updated structural analysis to focus the target selection for the next drill phase.

Arizaro Drill Results				
Drill Hole #	Interval	Length	Gold (g/t)	Copper (%)
ARD 9	50 – 280 m	230 m	0.34	0.15
	incl. 68 – 106 m	38 m	0.47	0.20
	incl. 140 – 170 m	30 m	0.43	0.14
ARD 10	1 – 40 m	39 m	0.46	0.15
	incl. 1 – 26 m	25 m	0.58	0.17
	and 198 – 224 m	26 m	0.34	0.17
	and 316 – 332 m	16 m	0.61	0.10
ARD 11	78 – 192 m	114 m	0.32	0.12
	incl. 78 – 112 m	34 m	0.48	0.17
	incl. 146 – 176 m	30 m	0.40	0.12
ARD 12	176 – 416 m	240 m	0.32	0.16
	incl. 190 – 222 m	32 m	0.59	0.21
	incl. 250 – 280 m	30 m	0.47	0.26
ARD 13	12 – 180 m	168 m	0.62	0.22
	incl. 58 – 180 m	122 m	0.75	0.24
	incl. 60 – 156 m	96 m	0.87	0.27
	incl. 90 – 138 m	48 m	1.36	0.36
	incl. 100 – 130 m	30 m	1.81	0.41
ARD 14	140 – 314 m	174 m	0.37	0.17
	incl. 140 – 254 m	114 m	0.42	0.17
	incl. 140 – 212 m	72 m	0.54	0.19
	incl. 140 – 184 m	44 m	0.66	0.20
	incl. 146 – 176 m	30 m	0.82	0.23
	incl. 152 – 174 m	22 m	0.92	0.24
ARD 15	256 – 378 m	122 m	0.40	0.21
	incl. 324 – 376 m	52 m	0.50	0.24
ARD 16	24 – 52 m	28 m	0.28	0.16
	and 106 – 120 m	14 m	0.39	0.19
	and 236 - 302 m	66 m	0.21	0.15

OPERATIONS AND FINANCIAL CONDITION

Summary of Quarterly Results

The following is a summary of certain selected unaudited financial information for the most recent eight fiscal quarters. Private placements in the fourth quarter of 2010 and the fourth quarter of 2011 enabled the Company to proceed with the bankable feasibility study on the Lindero Deposit as well as actively continue exploration activities on the Arizaro Porphyry System. General and administrative expenses, which make up the majority of the losses reported in the tables below, have remained stabilized over the eight quarters reported herein and will likely yield consistent results over the next quarters.

Unaudited Fiscal Quarter of the Fiscal Year ended May 31, 2012

All in \$1,000's except Loss per Share	1 st Quarter ⁽¹⁾	2 nd Quarter ⁽¹⁾
Working capital	\$ 5,066	\$ 4,179
Loss	\$ 234	\$ 272
Loss per share	\$ 0.005	\$ 0.005
Loss per share (fully diluted)	\$ 0.005	\$ 0.005
Total assets	\$ 20,956	\$ 20,188
Total liabilities	\$ 1,571	\$ 1,425
Deficit	\$ 51,550	\$ 51,822

Unaudited Fiscal Quarters of the Fiscal Year ended May 31, 2011

All in \$1,000's except loss per share	1 st Quarter ⁽¹⁾	2 nd Quarter ⁽¹⁾	3 rd Quarter ⁽²⁾	4 th Quarter ⁽²⁾
Working capital	\$ 5,356	\$ 5,463	\$ 3,514	\$ 6,583
Loss	\$ 274	\$ 339	\$ 375	\$ 469
Loss per share	\$ 0.006	\$ 0.007	\$ 0.008	\$ 0.001
Loss per share (fully diluted)	\$ 0.006	\$ 0.007	\$ 0.008	\$ 0.001
Total assets	\$ 16,548	\$ 17,998	\$ 20,936	\$ 26,020
Total liabilities	\$ 1,289	\$ 1,321	\$ 1,326	\$ 1,922
Deficit	\$ 50,351	\$ 50,691	\$ 48,162	\$ 48,634

Unaudited Fiscal Quarters of the Fiscal Year ended May 31, 2010

All in \$1,000's except Loss per Share	3 rd Quarter ⁽²⁾	4 th Quarter ⁽²⁾
Working capital	\$ 1,485	\$ 6,040
Loss	\$ 714	\$ 342
Loss per share	\$ 0.016	\$ 0.008
Loss per share (fully diluted)	\$ 0.016	\$ 0.008
Total assets	\$ 14,741	\$ 19,761
Total liabilities	\$ 899	\$ 1,377
Deficit	\$ 46,796	\$ 47,138

(1) Financial data prepared under IFRS.

(2) Financial data prepared under GAAP.

Second Quarter ended November 30, 2011

The Company's loss for the quarter ended November 30, 2011 totaled \$271,764 a loss of \$0.005 per share, as compared to a loss of \$339,337, a loss of \$0.007 per share, for the quarter ended November 30, 2010. General and administrative expenses for the quarter totaled \$303,867 (November 30, 2010 quarter - \$341,152 excluding charges for stock-based compensation). The similar totals for general and administrative expenses over the two year to dates are also reflected in each of the categories of expenses as there were only minor differences in the year by year comparison except for consulting fees which reduced from \$68,597 in 2010 to \$37,590 in 2011.

The Company's cash and cash equivalents decreased by \$2,679,485 during the quarter ended November 30, 2011, as compared to an increase of \$106,415 during the quarter ended November 30, 2010. Cash resources used in operations during the quarter ended November 30, 2011 totaled \$245,711 (November 30, 2010 - \$325,777). Cash resources used in investing activities totaled \$737,380 for the quarter ended November 30, 2011 (November 30, 2010 - \$1,704,349).

The Company's activities continued to be focused on development of the Lindero deposit. The breakdown of material components of exploration and evaluation of assets as at November 30, 2011 and November 30, 2010 are as follows:

	Balance, Nov 30, 2011	Balance, Nov 30, 2010
Exploration and evaluation of assets		
Field operations	\$ 1,521,689	\$ 674,393
Assays	1,771,147	772,535
Administrative services	1,676,224	456,208
Transportation and vehicle maintenance	4,781,090	2,647,192
Wages and benefits	313,712	57,839
Geology and mapping	13,239,821	7,009,184
Geophysics	177,089	68,108
Roads and trenches	2,403,944	1,283,374
Taxes and licenses	539,314	244,569
Office rentals and support	601,827	1,022,336
Drilling	7,480,931	4,644,370
Joint venture billings	2,091,538	2,091,538
Option payments and recoveries	<u>(1,471,730)</u>	<u>(849,668)</u>
	35,126,596	20,121,978
Less: write-offs and transfers to Pachamama	<u>(15,030,506)</u>	<u>(15,031,420)</u>
	20,096,090	5,090,558
Foreign exchange adjustment	<u>(4,286,320)</u>	<u>7,133,316</u>
	\$ 15,809,770	\$ 12,223,874

The breakdown of material components of general and administrative expenses for the quarters and years to date ended November 30, 2011 and November 30, 2010 are as follows:

	2011		2010	
	<u>Quarter to Date</u>	<u>Year to Date</u>	<u>Quarter to Date</u>	<u>Year to Date</u>
General and administrative expenses				
Accounting and audit	\$ 21,668	\$ 34,701	\$ 17,785	\$ 19,318
Bank charges and interest	1,525	2,641	2,257	3,821
Consulting fees	37,590	72,182	68,597	104,316
Fees and taxes	8,579	14,118	14,163	23,630
Insurance		11,800		14,000
Investor relations and shareholder info	65,375	123,563	64,108	126,146
Legal	9,707	14,955	14,369	29,017
Management fees	60,000	120,000	60,000	120,000
Office and administration	17,354	22,131	19,029	25,774
Rent	12,438	24,166	12,492	24,619
Telephone	3,306	6,297	3,815	7,021
Transfer agent and listing fees	4,000	5,500	4,000	4,000
Travel and entertainment	19,043	28,006	22,277	32,899
Wages and benefits	<u>23,039</u>	<u>45,959</u>	<u>23,064</u>	<u>40,599</u>
	\$ (283,624)	\$ (526,019)	\$ (325,956)	\$ (575,160)

Liquidity and Capital Resources

Cash and cash equivalents at November 30, 2011 totaled \$4,282,651 compared to \$5,548,816 at November 30, 2010. Working capital at November 30, 2011 was \$4,179,361 compared to \$5,463,502 as at November 30, 2010. Additions to exploration and evaluation of assets incurred during the quarter ended November 30, 2011; all in Argentina, totaled \$746,689 compared to \$1,704,849 incurred for the quarter ended November 30, 2010, primarily due to the costs associated with drilling activity and the feasibility study currently underway.

The Company commissioned a bankable feasibility study on the Lindero property in the prior year which is ongoing. The ability of the Company to realize the costs it has incurred to date on its mineral property interests is dependent upon the Company being able to finance its exploration and development expenditures and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the mineral property interest. To date, the Company has not earned revenues and is considered to be in the exploration stage.

The Company's authorized capital consists of an unlimited number of common shares without par value.

As at November 30, 2011 and January 27, 2012, the Company had 50,913,131 issued and outstanding common shares (November 30, 2010 – 48,748,026).

During the quarter ended November 30, 2011, there were no stock options granted or exercised. As at November 30, 2011, the Company had 4,325,000 stock options outstanding at exercise prices ranging from \$0.23 to \$2.53 with expiry dates ranging from March 23, 2013 to December 29, 2013. If exercised, the remaining 4,325,000 stock options would increase the Company's available cash by \$1,224,750.

During the quarter ended November 30, 2011, there were no warrants issued or exercised. During the quarter ended November 30, 2011, there were no compensation options exercised.

At November 30, 2011, there were 3,177,500 warrants outstanding at exercise prices ranging from \$1.80 to \$3.00 with expiry dates ranging from March 21, 2012 to May 18, 2012. At November 30, 2011, there were 338,040 compensation options outstanding at exercise prices ranging from \$1.50 to \$2.50 with expiry dates ranging from March 21, 2012 to May 18, 2012. At November 30, 2011, there were 30,825 finders' warrants outstanding at an exercise price of \$3.00 with an expiry date of March 21, 2012. If exercised, the 3,177,500 warrants, 338,040 compensation options and 30,825 finders' warrants would increase the Company's available cash by \$8,093,335.

Related Party Transactions

During the six months ended November 30, 2011, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fee in the amount of \$120,000 respectively (2010 - \$120,000) to Eagle Putt Ventures Inc. and Rangefront Exploration Corp., private companies controlled by Gordon P. Leask and John M. Leask, respectively, directors of the Company. The Company owed \$Nil to these private companies as at November 30, 2011 (2010 - \$Nil).
- b) Paid or accrued management fees in the amount of \$30,000 (2010 - \$30,000) and office and administrative fees in the amount of \$30,899 (2010 – \$31,157) to Cerro Rico Management Corp., a private company controlled by Megan M. Cameron-Jones, a director of the Company. The Company owed \$81,466 to this private company as at November 30, 2011 (2010 - \$158,748).
- c) Amounts payable to related parties at November 30, 2011 aggregated \$81,466 (May 31, 2011 - \$111,659).

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.

Proposed Transactions

The Company is not contemplating any other transactions which have not already been disclosed.

Investor Relations

Investor relations activities are performed by directors and officers of the Company.

Shareholder Rights Plan

The board of directors of the Company has adopted a Shareholder Rights Plan (the "Rights Plan") effective September 5, 2011 to encourage the fair treatment of shareholders and to protect shareholders from unfair, abusive or coercive takeover strategies in any takeover offer for the Company. The Rights Plan is substantially similar to the Company's predecessor shareholder rights plan adopted by the board of directors of the Company on September 5, 2007, which expired on September 5, 2011. The Rights Plan addresses the Company's concerns that existing Canadian legislation does not allow sufficient time, if a take-over bid is made, for either the shareholders or the board of directors to properly consider the bid, or for the board of directors to maximize shareholder value by seeking alternatives to the bid. The Rights Plan will provide the board of directors of the Company and the shareholders more time to consider fully any unsolicited take-over bid for the Company. It will also allow more opportunity for the board of directors to pursue other alternatives, if appropriate, to maximize shareholder value and to allow additional time for competing bids to emerge.

To implement the Rights Plan, the board of directors of the Company authorized the issue effective September 5, 2011, of one right to purchase as common share of the Company (a "Right") in respect of each common share of the Company outstanding to holders of record on September 5, 2011. One Right will also be issued in conjunction with each common share of the Company issued while the Rights Plan is in effect. For administrative convenience, the Rights will trade with the common shares and be represented by certificates representing common shares.

The Rights issued under the Rights Plan become exercisable only when a person, including any party related to it, acquires or announces its intention to acquire 20 percent or more of the Company's outstanding common shares without complying with the "Permitted Bid" provisions of the Rights Plan or without approval of the board of directors of the Company. Should such an acquisition occur or be announced, each Right would, upon exercise, entitle a Rights holder, other than the acquiring person and related persons, to purchase common shares of the Company at a 50% discount to the market price at the time.

The Rights Plan is not being proposed in response to, or in anticipation of, any acquisition or takeover offer and is not intended to prevent a takeover bid for the Company. Under the Rights Plan, takeover bids that meet certain requirements intended to protect the interests of all shareholders are deemed to be "Permitted Bids". A Permitted Bid is a bid made to all holders of the Company's common shares which is open for acceptance for not less than 60 days. If at the end of 60 days at least 50% of the outstanding shares, other than those owned by the offeror and certain related parties, have been tendered the offeror may take up and pay for the shares but must extend the bid for a further 10 days to allow other shareholders to tender.

The Rights Plan has a term of four years. The Rights Plan was ratified by shareholders at the Company's Annual and Special Meeting held on December 16, 2011. The Company received final acceptance from the TSX Venture Exchange and the Rights Plan was filed on SEDAR on January 9, 2012.

First Time Adoption of IFRS

As stated in Note 2 to the Company's consolidated financial statements these are the Company's second consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies in Note 3 to the consolidated financial statements have been applied in preparing the interim consolidated financial statements for the period ended November 30, 2011 and 2010, the consolidated financial statements for the year ended May 31, 2011 and the opening IFRS statement of financial position on June 1, 2010, the "Transition Date".

In preparing the opening IFRS statement of financial position and the financial statements for the interim period ended November 30, 2011, the Company has adjusted amounts reported previously in financial statements that were prepared in accordance with GAAP. An explanation of how the transition from GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables. The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company elected to take the following IFRS 1 optional exemptions:

- a) to apply the requirements of IFRS 2, Share-based payment, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date; and
- b) to transfer all foreign currency translation differences, recognized as a separate component of equity, to deficit as at the Transition Date including those foreign currency differences which arose on adoption of IFRS.

Additionally, in accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of June 1, 2010 are consistent with its GAAP estimates for the same date.

The reconciliation between GAAP and IFRS consolidated statement of financial position as at June 1, 2010 (date of transition to IFRS) is provided in Note 14 of the interim consolidated financial statements.

The areas affected by the transition to IFRS are discussed below:

a) Share-based payments

IFRS requires each tranche of a share-based award with different vesting dates to be considered a separate grant for purpose of fair value calculation, and the resulting fair value is amortized over the vesting period of the respective tranches. Furthermore, forfeiture estimates are recognized in the period they are estimated.

Under GAAP, the fair value of share-based awards with graded vesting was calculated as one single grant and the resulting fair value was recognized on a straight-line basis over the longest vesting period. Forfeitures of awards were only recognized in the period the forfeiture occurred.

b) Provision for environmental rehabilitation

IFRS requires provisions for environmental rehabilitation to be estimated based on constructive and legal cash flows discounted based on liability specific risk-free discount rate. The discount rate should be updated periodically at each period end date. Under GAAP, provision for decommissioning liabilities was estimated based on legal cash flows and discounted based on a risk-adjusted discount rate.

Historical net book values of the related mineral properties when the first provisions initially arose were adjusted to reflect historical difference in the provision.

c) Reclassification with equity section

Under GAAP, a balance within contributed surplus existed to record the issuance of warrants and options. Under adoption of IFRS, the balances in these accounts have been reclassified to "Reserves – Options" and "Reserves – Warrants".

d) Functional currency

Under GAAP, all the Company's subsidiaries were integrated foreign subsidiaries. Therefore, monetary items were translated at period-end rates and non-monetary items were translated at average rates with all currency gains or losses recognized in profit or loss. IFRS requires that the functional currency of each subsidiary of the Company be determined separately. It was determined that, as at the Transition Date, the Canadian dollar was the functional currency of the Company, the Argentine peso was the functional currency of Mansfield Minera S.A. and the United States dollar was the functional currency of Mansfield (Bermuda) Ltd and Argex Mining (Barbados) Inc. In accordance with the IFRS optional exemptions, the Company has elected to transfer the foreign currency differences, recognized as a separate component of shareholders equity, to accumulated loss on the transition date.

Recent accounting pronouncements

Financial Instruments IFRS 9, "Financial Instruments" ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

Amendments to IFRS 7, *Financial Instruments: Disclosures* are effective for annual periods beginning on or after July 1, 2011 and introduce enhanced disclosure around transfer of financial assets and associated risks. These amendments are not anticipated to impact the disclosures made by the Company.

Amendments to IAS 1, *Presentation of Financial Statements* (effective for annual periods beginning on or after July 1, 2012) require that elements of other comprehensive income that may subsequently be reclassified through profit and loss be differentiated from those items that were not reclassified.

IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, and consequential revisions to IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and*

Joint Ventures (all effective January 1, 2013) provide revised guidelines on the accounting treatment and associated disclosure requirements for joint arrangements and associates, and a revised definition of "control" for identifying entities which are to be consolidated.

IFRS 13 *Fair Value Measurement* (effective January 1, 2013) provides new guidance on fair value measurement and disclosure requirements.

The Company is currently evaluating the impact of these new and amended standards on its financial statements.

Financial and Capital Risk Management

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.

The fair value of the Company's receivables, accounts payable and accrued liabilities and due to related parties approximate carrying value, which is the amount payable on the consolidated statements of financial position. The Company's other financial instruments, cash and cash equivalents, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's accounts receivable consist mainly of sales tax credits receivable from the government of Canada and Argentina and interest on short-term investments held by the Company's bank. As such the Company does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable relating to deferred exploration costs and other accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and interest-bearing investments. The interest earned on the investments approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at November 30, 2011, the Company had a total of \$1,525,000 in investment-grade short-term deposit certificates.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is minimal because of the short-term nature of these investments.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in United States dollars ("US\$"). A 10% fluctuation in the US\$ against the Canadian dollar would affect net loss for the period by approximately \$275,000.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash and cash equivalent balances and components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Forward Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the volatility of the Company's common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

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Listed: TSX Venture Exchange
Symbol: MDR-V