



Second Quarter Report for the Period Ending November 30, 2008

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## Management's Discussion and Analysis

January 29, 2009

*This discussion and analysis of the consolidated operating results and financial condition of the Company for the period ended November 30, 2008 and 2007 should be read in conjunction with the Consolidated Financial Statements and the related Notes for the period 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](http://www.sedar.com) and to review general information including reports and maps on the Company's website at [www.mansfieldminerals.com](http://www.mansfieldminerals.com).

## DESCRIPTION OF BUSINESS AND OVERVIEW

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Pachamama resulted from a spin-out of the non-core assets of Mansfield Minerals Inc. ("Mansfield"). In 2008, the management of Mansfield concluded that by spinning-out all of its exploration stage properties, including the Rio Grande property, to Pachamama, shareholders would be able 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. Under a plan of arrangement ("Plan of Arrangement") dated November 27, 2008, Mansfield also transferred over certain cash and investment securities to Pachamama. 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. Pachamama came to trade on the TSX Venture Exchange on November 28, 2008 under the trading symbol "PMA-V". The Plan of Arrangement is detailed in the Company's information circular available on SEDAR at [www.sedar.com](http://www.sedar.com).

Stock markets world-wide recovered somewhat over the last four months with most commodities appearing to have found a near term bottom. The outlook for base metals in the near to medium term is decidedly negative as the world economy enters a period of slow to negative growth. Copper, the bell-weather metal, now trades at US\$1.60/lb. The outlook for gold is very much dependant on the success of central banks in their efforts to reflate the economy by drastically increasing the money supply and guaranteeing bank to bank loans.

## MINERAL PROPERTY REVIEW

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*This review has been prepared by the Company's geologic staff under the supervision of John M. Leask, P.Eng., President, CEO and 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 properties and projects consist of mineral rights and applications for mineral rights covering over 48,000 hectares in three Argentine provinces and one Canadian province. The lands are direct interests through the Company's filings for exploration concessions. The Company's properties in Argentina are all early stage exploration prospects and no proven or probable reserves have yet been identified.

The Company currently owns, or has the right to acquire an interest in, a total of five properties located in northwestern Argentina and one property located in British Columbia. During December 2008, the Company decided to forfeit the Desierto and Campo Casablanca properties.

Pachamama's properties are summarized as follows:

Property	Location	Pachamama Ownership	Hectares	Square Miles
Aguas Calientes	Jujuy Province, Argentina	100%	4,835	18.65
Catua	Jujuy Province, Argentina	100%	9,180	35.41
El Camino	Salta Province, Argentina	100%	5,022	19.37
La Frontera	Catamarca Province, Argentina	100%	1,200	4.63
Rio Grande	Salta Province, Argentina	50%	14,100	54.39
Argentina- other		100%	9,265	35.74
Fireweed	British Columbia, Canada	100%	4,730	18.25
Total			48,332	186.44

### **Rio Grande Property, Argentina**

Antares, operator of the Rio Grande property, has recently completed an initial program of 12 infill holes in four of the areas with better grades and thicknesses of mineralization from previous drilling and is awaiting assays. This current drill program should help in defining the several known mineralized zones. It is Antares' intention, as operator, to begin the process of estimating a NI 43-101 compliant mineral resource prior to the end of 2008. All intercepts discussed in this report are core widths or lengths. True widths are not known with any accuracy and will only be defined geometrically when the drill data is computerized and correlated with geology. Estimation of the mineral resource will commence when the drill program is completed. Antares has implemented a well-designed QA /QC protocol which will provide credibility to the database for the resource estimate. Additional programs of diamond core drilling to the extent of many thousands of metres may be required to completely define these zones.

The Rio Grande property is hosted in a thick pile of young porphyritic andesite and dacite volcanics that are cut by post mineral andesite dikes and several andesite to diorite plugs. The volcanic and intrusive system is thought to represent at least two dissected stratovolcanic centers. The mineralizing system consists of a large zone of hydrothermal alteration covering an area of 2.2 kilometres (East-West) by 2.0 kilometres (North-South) and may extend under cover. Alteration styles include a central core area of strong potassic alteration (K-feldspar and biotite) and albite-diopside surrounded by sericite-argillic alteration that grades outwards into propylitic alteration. Copper and gold mineralization appears to be largely restricted to the potassic zone. Hypogene mineralization consists mainly of fine-grained disseminated chalcopyrite in association with disseminated magnetite. Gold grades appear to have a strong correlation with copper grades, with a general ratio of 1 gram gold to 1% copper. Work to date has included geological, geophysical (I.P. and Mag), soil geochemical, trenching and diamond drilling which has outlined a number of related bodies of copper-gold mineralization arranged in an annular pattern around an unexplored core.

The Discovery and Sophia zones represent mineralization continuing over a strike-length of 1.5 kilometres, with width ranging from 100 metres to a maximum of 250 metres and depth of up to 500 metres. Recent drilling has intersected high grade copper-gold mineralization at the north end of the Sofia Zone in which the values in RGA-07-34, which assayed 189 meters of 0.7% Cu and 0.67 g/t Au have now been extended by step out holes in three directions and to depth. One of the drill holes in the Discovery Zone, RGA-07-040, returned 102.8 metres averaging 0.58% Cu and 0.75 g/t Au.

The Sofia Zone, traced as a significant area of near-surface copper-gold mineralization with the adjacent Discovery Zone; is now an annular zone measuring at least 1,450 metres long and averaging 130 metres wide (80 metres wide at Sofia and 220 metres wide at Discovery). The average grade of the combined Discovery and Sofia zones, using the 10 drill-holes and adjacent trenches, is 0.33% Cu and 0.35 g/t Au; including dilution. The North zone is similarly being extended and defined by further drilling.

The drill-hole pattern in 2007 was too widely spaced to calculate a resource figure, but after the current (2008) round of drilling this may be accomplished. All of the zones are open to depth and along strike; and in the case of the Discovery Zone, to the west. Geological and structural mapping have substantially improved the understanding of the Rio Grande property, and more importantly the setting of copper-gold mineralization. Integration of the geophysical and geochemical results with this new geological data has generated numerous new targets.

Over 65 drill holes have been completed to date at Rio Grande. Grades of copper and gold have been encountered over significant widths in what appears to be one contiguous ring of mineralization measuring in excess of 2 kilometres in diameter with true thickness greater than 200 metres.

There is potential for a large porphyry Cu-Au system similar to other important deposits in Argentina. Such potential cannot be quantified but may be substantiated by the drill program in progress, or future drill programs. The deposit demonstrates a very large mineralized and altered hydrothermal system and requires extensive further drilling to establish its economic potential.

Antares Minerals Inc. ("Antares"), operator and 50% owner of Rio Grande, has completed 10,000 metres of a planned 15,000 drill program at the Rio Grande. It is anticipated that an initial inferred resource can be calculated once assays have been received.

## **OPERATIONS AND FINANCIAL CONDITION**

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### **Summary of Quarterly Results**

The following is a summary of certain selected unaudited financial information for the initial fiscal quarter.

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

<b>All in \$1,000's except loss (income) per Share</b>	<b>Second Quarter Nov 2008</b>
Working capital	\$ 6,867
Loss	\$ 565
Loss per share	\$ 0.013
Loss per share (fully diluted)	\$ 0.013
Total assets	\$ 11,842
Total liabilities	\$ 1,595
Deficit	\$ 756

### **Second Quarter ended November 30, 2008**

The Company's loss for the quarter ended November 30, 2008 totaled \$564,903 a loss of \$0.013 per share. General and administrative expenses for the quarter totaled \$554,034. Interest income, as well as other items which affects operating results, fluctuate from quarter to quarter or does not occur on a regular basis.

The Company's cash and cash equivalents totaled \$7,819,923 for the quarter ended November 30, 2008. Cash resources used in operations totaled \$580,896.

The Company's activities are focused on general exploration in northwestern Argentina.

### **Liquidity**

Cash and cash equivalents at November 30, 2008 totaled \$7,819,923. Working capital at November 30, 2008 was \$6,866,600. Deferred exploration costs incurred during the period ended November 30, 2008; all in Argentina, totaled \$1,306,147. Cash provided by financing activities on the initial placement of shares during the quarter ended November 30, 2008 was \$4,356,520.

At the date of these unaudited quarterly 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 November 30, 2008 the Company had 44,124,221 issued and outstanding common shares, and at January 29, 2009 the Company had 44,124,221 issued and outstanding shares.

The Company adopted a formal written stock option plan ("Stock Option Plan") effective October 29, 2008. Under this plan, the Company may grant options for up to 8,824,844 common shares to directors, officers, 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 Stock Option Plan was approved by the TSX Venture Exchange on November 27, 2008.

During the quarter ended November 30, 2008, there were no stock options exercised, granted or outstanding. Subsequent to November 30, 2008, 4,450,000 stock options were granted at a price of \$0.10 for a five year period. If exercised, the 4,450,000 stock options would increase the Company's available cash by \$445,000.

During the quarter ended November 30, 2008, no warrants were exercised. Under the Plan of Arrangement, 330,000 warrants with an exercise price of \$1.50 were assigned to the Company. Expiry date of these warrants is March 27, 2009.

## **Related Party Transactions**

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

During the quarter ended November 30, 2008, the Company paid or accrued management fees in the amount of \$120,000 (2007 - \$120,000) to companies controlled by directors of the Company.

During the quarter ended November 30, 2008, the Company paid or accrued administrative fees in the amount of \$53,495 (2007 - \$20,667) to an officer of the Company and to a company controlled by a director 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.

## **Proposed Transactions**

The Company is not contemplating any other transactions which have not already been disclosed. The Company continues to look at other property acquisitions and to seek joint venture partners on its remaining unoptioned properties on a regular basis.

## **Investor Relations**

In November 2008, the Company appointed Nancy Goertzen as Vice President, Corporate Development. Ms. Goertzen also performs investor relations activities for the Company.

## **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 required 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 required 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. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

## CORPORATE INFORMATION

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**CAPITALIZATION**  
Authorized:  
Unlimited common shares  
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**STOCK EXCHANGE**  
Listed: TSX Venture Exchange  
Symbol: PMA-V