

Minefinders Corporation Ltd.

Management's Discussion and Analysis

September 30, 2009

This discussion and analysis is for the three-month and nine-month periods ended September 30, 2009, with comparisons to 2008. Unless otherwise noted, all information is current to November 5, 2009, and all currency amounts are in United States dollars. The discussion and analysis is intended to complement and supplement the unaudited interim consolidated financial statements of Minefinders Corporation Ltd. ("Minefinders" or the "Company" or "we" or "our") for the three-month and nine-month periods ended September 30, 2009 (the "Financial Statements") and should be read together with the Financial Statements.

Additional information, including our Annual Information Form for the year ended December 31, 2008, is available on SEDAR at www.sedar.com.

Company Overview

Minefinders is engaged in precious metals mining and exploration. Commercial production of gold and silver commenced May 1, 2009 at our wholly-owned Dolores Mine in Mexico. Pre-commercial production commenced at Dolores in November 2008. The Dolores Mine has a well defined mineral deposit containing proven and probable reserves of 2.44 million ounces of gold and 126.6 million ounces of silver (at December 31, 2008) with exploration upside and an initial open pit mine life of over 15 years. There is potential to expand production through the addition of a mill to enhance recoveries from high-grade ore in the open pit and from underground ore below, and peripheral to, the planned pit.

Minefinders also has exploration properties in Mexico and the United States at various stages of advancement, including the La Bolsa gold deposit containing over 360,000 ounces of gold in measured and indicated resources, prospective silver prospects at Planchas de Plata and Real Viejo and three new highly prospective properties all in Sonora, Mexico. Drilling is continuing at La Bolsa to better understand the size potential and nature of the resource and a pre-feasibility study is in process to evaluate the economics of developing the deposit.

Minefinders' shares are traded on the Toronto Stock Exchange (symbol MFL) and on the NYSE Amex (symbol MFN).

Third Quarter and 2009 to date Highlights

Production

- Third quarter gold production of 18,799 ounces, compared with 23,336 ounces in the second quarter of 2009 and 14,169 ounces in the first quarter of 2009.
- Third quarter silver production of 318,878 ounces, compared with 419,946 ounces in the second quarter of 2009 and 282,429 ounces in the first quarter of 2009.
- An increase in average crusher throughput to 16,000 tonnes stacked per day in September and 17,700 tonnes stacked per day in October 2009 as a result of screen remediation work conducted in July and August.
- Relocation of the old Dolores village completed, allowing access to the Phase II area of the deposit where pre-stripping activities are underway.

Financial

- Third quarter sales proceeds of \$24.1 million, compared with \$26.0 million in the second quarter of

2009 and \$16.1 million in the first quarter of 2009.

- Net repayment of \$10 million on the revolving credit facility during 2009 to September 30 with additional payments totalling \$31.5 million made subsequent to September 30, 2009.
- Positive operating cash flow after changes in non-cash working capital of \$3.2 million on a consolidated basis achieved in the third quarter of 2009, and positive operating cash flow of \$0.1 million in the nine-month period.
- Completion of bought deal financing for gross proceeds of CDN\$66.0 million during the third quarter and closing of over-allotment option in October 2009 for additional gross proceeds of CDN\$3.7 million.
- Working capital of \$90.2 million at September 30, 2009, up from \$31.5 million at June 30, 2009 and from \$24.8 million at December 31, 2008.
- Reached a settlement concerning the previously reported binding arbitration process that commenced in May 2008.

Exploration and Development

- Significant expansion of the mineralized zone at the La Bolsa property as a result of the 2009 drill program.
- Completed an updated resource model for the La Bolsa property with the National Instrument 43-101 compliant technical report filed on October 21, 2009.
- Commenced a pre-feasibility study of the economic viability of a mine at the La Bolsa property with results expected to be available in a NI 43-101 compliant technical report in the first quarter of 2010.
- Commenced work on a pre-feasibility study of the economic viability of the addition of a mill at the Dolores Mine with results expected to be available in early 2010.
- Initiated an exploration drill program at Dolores to expand on previously identified mineralized zones peripheral to and beneath the open pit resource.

Outlook

2009 Production and Cash Costs

Minefinders has revised its previously reported 2009 production outlook to approximately 1.4 million ounces of silver and 80,000 ounces of gold at cash operating costs of between \$520 and \$530 per gold-equivalent ounce assuming a 71 to one silver to gold ratio.

The production outlook revision is a result of the negative effect of the lower than expected crusher throughput in July and August and lower gold and silver grades realized during the period. Subsequent to September 30, 2009, crusher throughput increased to near the planned rate of 18,000 tonnes per day. In addition, Minefinders successfully completed the relocation of the remaining residents from all areas that will be affected by future mining operations. Pre-stripping to expose the higher-grade central dome area of the deposit is well advanced and first access to this higher grade ore is expected in November. The significant increase in crusher throughput and access to the heart of the Dolores deposit is expected to increase production going forward and reduce operating cash costs.

Operating cash cost per ounce is determined on a sales basis and excludes royalties. See the Non-GAAP Measure section on page 18 of this MD&A for further discussion of operating cash costs.

Dolores Mine

Minefinders has commenced work on a pre-feasibility study regarding the economic benefit of adding a mill to the Dolores Mine. The mill would treat high-grade ore from the open pit, process additional

underground ore and increase production capacity. The study is scheduled for completion in early 2010.

The current open-pit mine plan and Dolores Mine economics do not take into account significant high-grade gold mineralization that occurs below and up to one kilometer peripheral to the open pit or the potential increased gold and silver production that would result from processing high-grade open pit ore through a mill. Previous metallurgical studies conducted in the preparation of the Dolores feasibility study have shown recoveries for gold of 90-95% and silver of 85-90% through conventional milling, flotation and leaching. Expected heap-leach recoveries are 72.25% for gold and 50.8% for silver and, consequently, the higher recoveries from ore processed through a mill could have a positive effect on the long-term Dolores economics.

A drill program using one diamond core rig and one reverse-circulation rig was initiated at Dolores in October 2009 to investigate mineralized targets including expansion of the East Dike mineralization, extension of the mineralization south of the current open pit mine and mineralization beneath the open pit that could be mined from underground.

La Bolsa Property

Step-out drilling in the first half of 2009 has encountered a significant new zone of gold and silver mineralization approximately 200 meters east of the current La Bolsa resource. These results represent a significant expansion of the mineralized zone at La Bolsa and additional drilling is underway to assess the extent and full potential of this newly discovered mineralization. Two core drill rigs are presently drilling infill and step-out holes to expand the current resource.

Drilling results from the 162 drill holes (78 reverse-circulation holes and 84 core holes) completed prior to September 2009 at the La Bolsa property have been incorporated into an updated resource model reported in a National Instrument 43-101 compliant technical report filed in October, 2009. This is the first NI 43-101 compliant resource for the La Bolsa property.

Minefinders has commenced a pre-feasibility study of the economic viability of a mine at the La Bolsa property. Results were initially expected to be available in a NI 43-101 compliant technical report by the end of 2009, however, in order to incorporate drill data from the new mineralized zone, results are now expected in the first quarter of 2010. The updated resource and subsequent drilling results will be used as the basis for construction of a reserve block model to be used in the study. The shallow dip of the majority of mineralization in close proximity to the surface and favourable metallurgical characteristics suggests a mine plan that will incorporate low-cost open-pit mining in combination with simple heap-leach recovery of gold and silver.

Liquidity

During the third quarter, Minefinders completed a bought deal equity financing of 6,200,000 shares at CDN\$10.65 per share for gross proceeds of CDN\$66.0 million. Subsequent to September 30, 2009, the underwriters exercised their over-allotment option for the purchase of an additional 350,000 common shares of the Company at a price of CDN\$10.65 per share for gross proceeds of CDN\$3.7 million. The Company intends to use the net proceeds of the offering for debt repayment, continued development of the La Bolsa property, future expansion and mill construction at the Dolores Mine and general corporate purposes.

Excluding the proceeds from the exercise of the over-allotment option subsequent to the end of the third quarter, the Company had working capital of \$90.2 million and long term debt of \$119.9 million at September 30, 2009.

With the proceeds from the recent financing and the commencement of commercial production at the Dolores Mine in May 2009, the Company meets its cash requirements from the net proceeds from the sale of gold and silver, working capital on hand and funds available through its revolving credit facilities.

Estimated capital expenditures for the fourth quarter of 2009 total \$4.5 million dollars and consist primarily of planned leach pad expansion and dam construction at the Dolores Mine. The Company plans to fund these expenditures with cash on hand and operating cash flow from the Dolores Mine.

Management acknowledges the recent volatility in gold and silver prices and the unprecedented disruptions in the credit and financial markets. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase the cost of obtaining, capital and financing for operations should it be considered necessary.

In light of the current challenging market conditions, management is taking the prudent measure of reviewing planned capital and exploration expenditures, current and expected operating cash flows and debt repayment schedules to preserve cash resources where possible.

Subsequent Event

Subsequent to September 30, 2009, the Company reached a settlement with Ausenco International Pty Ltd. of Brisbane, Australia and a related company, Ausenco Americas LLC (collectively "Ausenco") concerning the binding arbitration process reported by news release dated May 23, 2008. The settlement agreement resolves and terminates all other claims, causes of action, rights and other remedies that Minefinders and Ausenco have or may have against each other that were contemplated by the arbitration. See Note 11 to the Financial Statements for further discussion.

Summary Financial and Operating Performance⁽¹⁾

In millions, except ounces, per share amounts, total cash costs and average realized prices.

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Gold ounces sold	19,305	-	54,726	-
Silver ounces sold	349,248	-	992,161	-
Gold equivalent ounces sold ⁽²⁾	24,689	-	69,545	-
Sales proceeds	\$ 24.1	\$ -	\$ 66.2	\$ -
Gold ounces produced	18,799	-	56,304	-
Silver ounces produced	318,818	-	1,021,253	-
Revenue	\$ 24.1	\$ -	\$ 47.4	\$ -
Net loss	\$ 0.7	\$ 6.8	\$ 8.6	\$ 20.0
Net loss per share	\$ 0.01	\$ 0.14	\$ 0.15	\$ 0.40
Cash flow provided by (used in) operating activities	\$ 3.2	\$ (3.6)	\$ 0.1	\$ (8.4)
Total cash cost per gold equivalent ounce sold ⁽³⁾	\$ 616	N/A	\$ 558	N/A
Total cash cost per gold ounce sold, net of silver credit ⁽³⁾	\$ 513	N/A	\$ 450	N/A
Average realized price per gold ounce sold	\$ 974	N/A	\$ 950	N/A
Average realized price per silver ounce sold	\$ 15.18	N/A	\$ 14.31	N/A

	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008
Cash and cash equivalents	\$ 73.8	\$ 21.4	\$ 21.2	\$ 26.0
Working capital	\$ 90.2	\$ 31.5	\$ 25.8	\$ 24.8
Long-term debt	\$ 119.9	\$ 118.3	\$ 116.8	\$ 115.4
Shareholders' equity	\$ 188.3	\$ 132.3	\$ 129.6	\$ 135.8

(1) Reflects pre-commercial production from January 1, 2009 to April 30, 2009 and commercial operations effective May 1, 2009.

(2) Gold equivalent ounces sold includes gold ounces sold and silver ounces sold converted to a gold equivalent based on the ratio of actual realized gold price to actual realized silver price. Gold equivalent ounces sold in the third quarter and in the nine-month period were estimated using a 65 to 1 silver to gold ratio and a 67 to 1 silver to gold ratio, respectively.

(3) See the Non-GAAP Measure section on page 16.

Prior to the commencement of commercial production at the Dolores Mine, operating costs, net of incidental revenues, were capitalized as mine development costs. Accordingly, for the nine-month period, of the \$66.2 million in sales proceeds, \$47.4 million was recorded to revenue and \$18.8 million was capitalized to mineral property, plant and equipment. In addition, operating costs incurred after the start of commercial production were charged to operations and operating costs incurred prior to commercial production were capitalized to mineral property, plant and equipment.

Production Results

Production Summary⁽¹⁾

	Q3 2009	Q2 2009	Q1 2009	YTD 2009
Gold ounces produced	18,799	23,336	14,169	56,304
Silver ounces produced	318,878	419,946	282,429	1,021,253
Ore tonnes mined	1,280,402	1,844,948	1,814,154	4,939,504
Waste tonnes mined	4,749,709	4,741,054	4,888,558	14,379,321
Total tonnes mined	6,030,111	6,586,002	6,702,712	19,318,825
Strip ratio (waste to ore)	3.70	2.57	2.69	2.91
Ore tonnes stockpiled (removed from stockpile)	(14,620)	483,111	510,772	979,263
Ore tonnes stacked on the pad	1,278,791	1,373,935	1,272,577	3,925,303
Average gold grade per tonne stacked ⁽²⁾	0.67	0.76	0.79	0.74
Average silver grade per tonne stacked ⁽²⁾	18.07	20.77	27.08	21.93

(1) Reflects pre-commercial production from January 1, 2009 to April 30, 2009 and commercial operations effective May 1, 2009.

(2) Grams per tonne.

Gold and silver production decreased in the third quarter as compared to the second quarter of 2009 due to less ore tonnes stacked to the leach pad during the third quarter and a lower average grade per tonne stacked. The increase in gold and silver production from the first quarter of 2009 is due to the increase in the aggregate volume of ore under leach and the increase in time under leach.

During the first and second quarter of 2009, the volume of ore mined exceeded crusher throughput and excess tonnes were stockpiled for future processing. During the third quarter, stockpiled tonnes were

processed to supplement the reduction in mined ore tonnes realized from the north end of the pit. Stockpiled tonnes are expected to continue to be processed during the fourth quarter as a result of the transition from the north end of the pit to mining in the central dome area, where initial mining will include a higher initial strip ratio.

Ore tonnes crushed and stacked averaged approximately 14,000 tonnes per day in the third quarter of 2009, down from 15,000 tonnes per day in the second quarter and 14,100 tonnes per day in the first quarter of 2009. For the nine-month period, ore tonnes crushed and stacked averaged approximately 14,400 tonnes per day or 80% of the planned average ore throughput of 18,000 tonnes per day.

In addition to the federally mandated four-day shutdown due to the swine flu in May, crusher throughput has trended under plan in the nine month period primarily due to fabrication issues with one of the three tertiary screens and other less significant commissioning deficiencies. These issues persisted through the first and second quarters despite remediation efforts by Minefinders and the supplier. During the third quarter, a comprehensive assessment and repair was initiated. The required repairs further affected throughput in July and August with throughput during those two months averaging approximately 13,000 tonnes per day. However, subsequent to the repairs in July and August, average throughput in September and October 2009 increased to over 16,000 and 17,700 tonnes per day, respectively. The remaining screen repairs are scheduled for early 2010 and Minefinders expects crusher throughput to average plan rates during the fourth quarter of 2009 and forward.

In general, gold and silver grades mined in the nine month period are trending slightly below expectation, particularly with respect to silver. As estimated in the National Instrument 43-101 technical report dated March 25, 2008 (prepared by Gustavson and Associates of Denver, Colorado), the life of mine average grades at the Dolores Mine are 0.765 grams of gold per tonne and 39.7 grams of silver per tonne. Mining in the fourth quarter of 2008 and in 2009 was restricted to the north end of the open pit which is characterized by narrow structures with gold grades approximating the life of mine average and silver grades trending below the life of mine average. Silver grade of ore tonnes stacked to the leach pad is expected to increase significantly in the fourth quarter as mining commences in the higher grade central dome area of the deposit.

The delay in relocating the old Dolores village and associated delay in access to the higher grade phase 2 area of the pit necessitated mining in the relatively lower grade portions of phase 1 and phase 4 in the north end of the pit through the third quarter. The average gold and silver grade of tonnes stacked on the leach pad during the third quarter of 2009 was negatively affected by mining in low grade shallow portions of phase 4 in the north end of the pit during July and August, as well as rehandling of relatively low-grade stockpile material. The grade of ore stacked to the leach pad increased in September as compared to July and August to 0.78 gpt gold and 18.5 gpt silver due to increasing gold grades with depth in phase 4.

Financial Results

Sales and Operating Costs Summary⁽¹⁾

In millions, except ounces, operating cash costs and total cash costs.

	Q3 2009		Q2 2009		Q1 2009		YTD 2009	
Gold ounces sold	19,305		22,108		13,313		54,726	
Silver ounces sold	349,248		369,532		273,381		992,161	
Gold equivalent ounces sold ⁽²⁾	24,689		27,704		17,152		69,545	
Gold sales proceeds	\$	18.8	\$	20.7	\$	12.5	\$	52.0
Silver sales proceeds	\$	5.3	\$	5.3	\$	3.6	\$	14.2
Total sales proceeds	\$	24.1	\$	26.0	\$	16.1	\$	66.2
Revenue	\$	24.1	\$	23.3	\$	-	\$	47.4
Operating costs	\$	14.5	\$	12.3	\$	-	\$	26.8
Royalties	\$	0.7	\$	0.7	\$	-	\$	1.4
Operating cash cost per gold equivalent ounce sold ⁽³⁾	\$	587	\$	527	\$	472	\$	535
Total cash cost per gold equivalent ounce sold ⁽³⁾	\$	616	\$	552	\$	484	\$	558
Operating cash cost per gold ounce, net of silver credit ⁽³⁾	\$	477	\$	421	\$	338	\$	420
Total cash cost per gold ounce, net of silver credit ⁽³⁾	\$	513	\$	452	\$	353	\$	450

⁽¹⁾ Reflects pre-commercial production from January 1, 2009 to April 30, 2009 and commercial operations effective May 1, 2009.

⁽²⁾ Gold equivalent ounces sold includes gold ounces sold and silver ounces sold converted to a gold equivalent based on the ratio of actual realized gold price to actual realized silver price. Gold equivalent ounces sold in the third quarter and in the nine month period were estimated using a 65 to 1 silver to gold ratio and a 67 to 1 silver to gold ratio, respectively.

⁽³⁾ See the Non-GAAP Measure section on page 16.

Revenue

Revenue for the third quarter of 2009 and for the nine-month period is attributable to gold and silver sales made during commercial production, which commenced in May 2009. No revenue was recorded to the statement of operations for periods prior to May 1, 2009. Sales volume for the third quarter of 2009 was 19,305 ounces of gold at a realized price of \$974 per ounce and 349,248 ounces of silver at a realized price of \$15.18 per ounce. Sales volume for May through September 2009 was 39,095 ounces of gold at a realized price of \$958 per ounce and 674,651 ounces of silver at a realized price of \$14.71 per ounce.

Gold and silver prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, fluctuation of the United States dollar against other major currencies and certain other factors. It is not possible to accurately forecast the trends of gold and silver prices and their impact on future results from operations. The Company does not engage in any hedging to reduce its exposure to commodity risk.

Gold and silver prices below are the P.M. fix as published by the London Bullion Market Association:

Sept 30, 2009	June 30, 2009	Mar 31, 2009	Dec 31, 2008	Sept 30, 2008
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Gold	End of quarter	\$	995.75	\$	934.50	\$	916.50	\$	869.75	\$	884.50
	Quarter high	\$	1,018.50	\$	981.75	\$	989.00	\$	903.50	\$	986.00
	Quarter low	\$	908.50	\$	870.25	\$	810.00	\$	712.50	\$	740.75
	Average	\$	960.00	\$	922.18	\$	905.36	\$	794.52	\$	871.60
Silver	End of quarter	\$	16.45	\$	13.94	\$	13.11	\$	10.79	\$	12.96
	Quarter high	\$	17.38	\$	15.97	\$	14.39	\$	12.28	\$	19.30
	Quarter low	\$	12.47	\$	11.98	\$	10.51	\$	8.88	\$	10.66
	Average	\$	14.69	\$	13.76	\$	12.60	\$	10.20	\$	15.09

Operating Expenses ⁽¹⁾

In millions, except ounces and per tonne amounts.

	Q3 2009		Q2 2009		Q1 2009		YTD 2009	
Total mining costs	\$	6.6	\$	7.1	\$	5.8	\$	19.5
Total processing costs		5.2		5.7		4.2		15.1
Total mine general and administrative costs		3.6		3.6		2.1		9.3
Change in inventory		(0.9)		(1.8)		(4.0)		(6.7)
Total operating expenses	\$	14.5	\$	14.6	\$	8.1	\$	37.2
Mining cost per tonne mined (ore and waste)	\$	1.09	\$	1.08	\$	0.87	\$	1.01
Mining cost per ore tonne mined	\$	5.15	\$	3.85	\$	3.20	\$	3.95
Processing cost per ore tonne stacked	\$	4.07	\$	4.15	\$	3.30	\$	3.85
Mine general and administrative cost per ore tonne stacked	\$	2.82	\$	2.62	\$	1.65	\$	2.37
Total period cost per ore tonne stacked	\$	12.04	\$	10.62	\$	8.15	\$	10.17

⁽¹⁾ Reflects pre-commercial production from January 1, 2009 to April 30, 2009 and commercial operations effective May 1, 2009.

Operating expenses recorded to the statement of operations for the three and nine months ended September 30, 2009 represent operating expenses attributable to gold and silver sales made during commercial production, which commenced in May 2009. No operating costs were recorded to the statement of operations for periods prior to May 1, 2009.

Mining cost per tonne of ore and waste mined was \$1.09 in the third quarter and \$1.01 for the nine-month period. Mining cost per tonne in the second and third quarter of 2009 increased from the first quarter of 2009 due to timing of maintenance activities, stockpile re-handle costs and inefficiencies associated with mining in the narrow north end of the pit. Mining cost per tonne of ore mined was \$5.15 in the third quarter and \$3.95 for the nine-month period. Mining cost per tonne of ore in the third quarter of 2009 increased from the second and first quarter of 2009 primarily as a result of a higher average production strip ratio realized during the third quarter.

Processing costs include operating and maintenance costs associated with the crushing, stacking, and leaching of ore and gold and silver recovery in the Merrill Crowe plant. Processing cost per tonne of ore stacked was \$4.07 in the third quarter of 2009 and \$3.85 for the nine-month period. Processing cost per tonne in the second and third quarter of 2009 increased from the first quarter of 2009 due primarily to higher maintenance costs associated with the third tertiary screen. Processing cost per tonne stacked

during 2009 has been negatively affected by the lower than plan crusher throughput due to fabrication issues with one of the three tertiary screens and other less significant commissioning deficiencies as previously noted. Processing cost per tonne stacked is expected to decrease with the increasing crusher throughput and lower maintenance costs.

Mine general and administrative cost per tonne of ore stacked was \$2.82 in the third quarter and \$2.37 for the nine-month period. Mine general and administrative cost per tonne in the second and third quarter of 2009 increased from the first quarter of 2009 due primarily to community relations and other costs associated with the relocation of the old Dolores village.

Mine general and administrative cost per tonne of ore stacked during 2009 has also been negatively affected by the lower than plan crusher throughput during the year. Mine general and administrative cost per tonne stacked is expected to decrease with the increasing crusher throughput and the completion of the Dolores village relocation.

The change in inventory included in operating expenses represents the net build or relief of ore stockpiles, work in process and finished goods inventory charged to operations during the period.

Cash operating cost per gold equivalent ounce sold was \$587 in the third quarter of 2009, an increase from a cash operating cost of \$527 per gold-equivalent ounce sold in the second quarter of 2009 and \$472 per gold-equivalent ounce sold in the first quarter of 2009. The sequential increase in cash operating cost per ounce is due to the increase in per ore tonne operating costs, a decrease in the gold and silver grade of ore stacked to the pad and the effect of inventory adjustments. Minefinders expects the operating cash cost per ounce to decrease as higher-cost in-process inventory is produced and sold and per ore tonne costs decrease as a result of increased crusher throughput and lower operating costs.

Royalties

Production from the Dolores Mine is subject to underlying net smelter return royalties totalling 3.25% on gold and 2% on silver. These royalties are payable to Royal Gold Inc. and were effective in full as of May 1, 2009 on the commencement of commercial production at the Dolores Mine. Pre-commercial production royalties have been capitalized to mineral property, plant and equipment in compliance with the Company's accounting policy. Accordingly, royalties for the nine-month period represent royalties attributable to gold and silver sales starting in May 2009.

Royalties in the third quarter and for the nine-month period were \$0.7 million and \$1.6 million, respectively, and are attributable to the same volumes noted above for revenue and operating expenses. Royalties represent a cash cost of \$29 per gold equivalent ounce sold during the third quarter and \$23 per gold equivalent ounce sold during the May through September commercially producing period.

Amortization and Depletion

Amortization and depletion in the third quarter increased to \$3.6 million in 2009 from \$0.1 million in 2008. In the nine-month period, amortization and depletion increased to \$6.9 million in 2009 from \$0.3 million in 2008. The increase is due to the commencement of commercial production at the Dolores Mine.

Accretion of Asset Retirement Obligation

The Company's environmental permit requires that it reclaim any land it disturbs during the mine construction and mine operations. Although the timing and the amount of the actual expenditures are uncertain, the Company has estimated the present value of the future reclamation obligation arising from its activities to September 30, 2009 to be \$2.4 million. Accretion expense, which represents the increase in the asset retirement obligation liability due to the passage of time, was negligible in the third quarter of 2009 and the comparable quarter a year earlier. For each of the nine-month periods in 2009 and 2008, accretion expense was less than \$0.2 million.

Exploration

Exploration expense in the third quarter was \$1.7 million in 2009, up from \$1.3 million in the third quarter of 2008. Exploration expense in nine-month period of 2009 was \$3.2 million, down from \$4.4 million a year earlier.

Exploration drilling in 2009 has been focused on the La Bolsa property and the assessment of the viability and projected returns from construction of a mining operation at La Bolsa. Preparation of a pre-feasibility study on the La Bolsa property commenced during the second quarter. A National Instrument 43-101 compliant updated resource for La Bolsa was reported during the third quarter and an associated technical report was filed on SEDAR on October 21, 2009.

Additionally, Minefinders continued to acquire surface and mineral rights within four project/target areas in the Sierra Madre of northern Mexico in conjunction with continued reconnaissance, evaluation, and detailed sampling and mapping. Over 120,000 hectares of mineral rights within the state of Sonora, Mexico are currently controlled by the Company. Minefinders also is also reviewing other advanced opportunities throughout Mexico.

Corporate Administration

Corporate administration expense in the third quarter of 2009 was \$2.1 million compared with \$2.3 million in the third quarter of 2008. Corporate administration expense in the nine-month period of 2009 was \$6.1 million, up from \$5.9 million a year earlier. Corporate administration costs have generally increased as a result of the expansion of the corporate offices through the transition to commercial production at Dolores. Contributing to the increase is higher corporate compensation, travel, and other general and administrative expenses. However, in both 2009 and 2008, the Company realized higher than typical legal costs that are not expected to be recurring. Legal and other costs associated with the binding arbitration and subsequent settlement were \$0.7 million in the third quarter of 2009 compared with a negligible amount in the third quarter of 2008. Legal and other costs associated with the arbitration totalled \$1.2 million in the nine-month period, compared with a negligible amount in the same period in 2008. Corporate legal and other costs primarily associated with community relations activities were \$0.2 million for the third quarter of 2009, down from \$0.7 million in the third quarter of 2008. These costs were \$0.5 million for the nine-month period of 2009 compared with \$1.2 million for the same period in 2008.

Stock Option Compensation

The Company recognized no stock based compensation during the third quarter of 2009. For the nine-month period ended September 30, 2009, the Company recognized \$3.4 million of stock based compensation expense, all of which was charged to operations. This represented a decrease from \$3.7 million for the nine-month period of 2008, of which \$2.8 million was charged to operations and \$0.9 million was capitalized to mineral property, plant and equipment.

Interest and Other Income

Interest income was negligible in the third quarter of 2009 and 2008. For the nine-month period ended September 30, 2009, interest income was \$0.2 million, down from \$0.6 million in the nine-month period of 2008. The decrease in both periods is a result of lower consolidated average interest rates during the period and lower value added tax outstanding in Mexico.

Interest Expense and Financing Fees

Interest is paid on the 4.5% convertible notes issued in October of 2006 and the balance outstanding on the revolving credit facility with Scotia Capital. As a result of lower average interest rates on the revolving credit facility, \$1.4 million of interest expense and financing fees were incurred on the

convertible notes and revolving credit facility in the third quarter of 2009, down from \$1.5 million incurred in the third quarter of 2008. For the nine-months ended September 30, 2009, interest and financing fees were \$4.4 million up from \$3.7 million in the nine-month period of 2008. The increase in interest expense and financing fees is due primarily to a higher average balance outstanding on the credit facility in the first nine months of 2009 as compared to 2008.

Accretion of Convertible Note Discount

Minefinders has unsecured senior convertible notes outstanding with a face value of \$85 million with an interest rate of 4.5% maturing on December 15, 2011 (the “Notes”). The Notes are classified as a liability, less the portion relating to the conversion feature net of related issue costs (\$27.4 million) which is classified as an equity component. As a result, the recorded liability to repay the Notes is lower than its face value. The difference between the carrying value and the face value of \$15.1 million, characterized as the note discount, is charged to operations and added to the liability over the term of the notes using the effective interest rate of 14.26%. Accretion of the convertible note discount was \$1.5 million in the third quarter of 2009 up from \$1.4 million in the third quarter of 2008. For the nine-month period ended September 30, 2009, accretion of the convertible note discount was \$4.5 million, up from \$4.1 million a year earlier.

Foreign Exchange Gain and Loss

Minefinders recorded a foreign exchange gain of \$0.8 million in the third quarter of 2009, up from a loss of \$0.3 million in 2008. For the nine-month period ended September 30, 2009, Minefinders recorded a foreign exchange gain of \$0.7 million compared with a foreign exchange gain of \$0.5 million in the nine-month period of 2008. The foreign exchange gain in the third quarter and nine month period resulted from the increasing value of the Canadian dollar against the US dollar applicable to the Company’s Canadian dollar cash balances and receivables.

Selected Quarterly Information

The following table presents selected unaudited quarterly results of operations in accordance with Canadian GAAP for each of the last eight quarters:

In millions, except ounces and per share amounts.

	Sept 30, 2009	June 30, 2009	Mar 31, 2009	Dec 31, 2008	Sept 30, 2008	June 30, 2008	Mar 31, 2008	Dec 31, 2007
Gold ounces sold	19,305	22,108	13,313	2,440	-	-	-	-
Silver ounces sold	349,248	369,532	273,381	42,800	-	-	-	-
Revenue	\$ 24.1	\$ 23.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating costs	\$ 14.5	\$ 12.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Royalties	\$ 0.7	\$ 0.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exploration	\$ 1.7	\$ 0.9	\$ 0.6	\$ 1.0	\$ 1.3	\$ 1.6	\$ 1.5	\$ 2.0
Corporate administration	\$ 2.1	\$ 1.7	\$ 2.3	\$ 2.8	\$ 2.3	\$ 1.6	\$ 2.0	\$ 2.1
Net loss	\$ 0.7	\$ 1.8	\$ 6.2	\$ 9.0	\$ 6.8	\$ 7.7	\$ 5.6	\$ 7.1
Loss per share – basic and diluted	\$ 0.01	\$ 0.03	\$ 0.10	\$ 0.18	\$ 0.14	\$ 0.15	\$ 0.11	\$ 0.14

Prior to May 1, 2009, the Company was not engaged in commercial operations at the Dolores Mine. Accordingly, variances in its quarterly results are not affected by sales or production-related factors prior to the second quarter of 2009. Prior to May 1, 2009, variances in results by quarter reflect overall corporate activity and factors which do not necessarily recur each quarter, such as charges for stock-based compensation when options are granted, interest income on fluctuating cash balances, and exploration drill programs.

Capital Resources and Liquidity

Working Capital

At September 30, 2009, the Company had \$73.8 million in cash and cash equivalents, up from \$26.0 million as at December 31, 2008 and working capital of \$90.2 million up from \$24.8 million as at December 31, 2008. The primary reason for the increase in working capital was the completion of a bought deal financing in September 2009 for net proceeds of \$56.7 million and a \$11.4 million increase in inventory primarily reflecting the increase in gold and silver in-process inventory ahead of steady-state production.

Accounts receivable as of September 30, 2009 totalled \$2.9 million, down from \$4.3 million as at December 31, 2008. Of the September 30, 2009 receivables, \$2.4 million represents value added tax (“VAT”) paid by Minefinders on goods and services in Mexico and is refundable from the Mexican tax authorities.

Cash Flow

Cash flow provided by operations in the third quarter of 2009 increased to \$3.2 million, up from \$3.7 million used in the three months ended September 30, 2008. The increase is due to the commencement of commercial production at the Dolores Mine with proceeds of gold and silver sales, net of cash operating costs, contributing positively to operating cash flow.

Cash flow provided by operations in the nine-month period in 2009 was \$0.1 million, up from \$8.4 million used in the same period in 2008. The increase is due to the commencement of commercial production at the Dolores Mine during the second quarter of 2009.

Cash flow used in investments in the third quarter of 2009 was \$2.8 million, down from \$19.5 million for the same period of 2008, mainly because of the winding down of construction and commissioning activities at Dolores in the current period. The third quarter 2009 total consisted of \$2.8 million invested primarily in the construction of a bypass road associated with the relocation of the old Dolores village, and pre-stripping of the phase 2 central dome area of the deposit. The \$19.5 million used in investments a year earlier primarily represented the significant investment required to develop the Dolores Mine.

Cash flow used in investments was \$1.2 million in the nine-month period in 2009 as compared to \$55.1 million used in investing activities in the same period of 2008. Once again the change was due to the wind-down and completion of construction activities at Dolores. The total for the nine-months ended September 30, 2009 consisted of \$19.5 million invested in the commissioning of the Dolores Mine and in pre-commercial production operating activities, in addition to investments in the leach pad expansion, village relocation, bypass road construction, and pre-stripping activities. This was substantially offset by \$18.8 million in pre-commercial production sales proceeds.

Cash flows from financing in the third quarter of 2009 provided \$51.2 million compared to \$22.1 million provided by financing activities in 2008. Cash flows provided by financing in the nine-month period were \$47.7 million compared to \$45.3 million provided by financing activities in 2008. In the third quarter and nine-month period of 2009, the Company was repaying the revolving line of credit. The net repayment in the nine-month period was \$10.0 million. These debt re-payments were more than offset by the proceeds from the bought deal financing completed in September, 2009. In the third quarter and nine-month period of 2008, Minefinders was drawing down on the revolving line of credit to construct and commission the Dolores Mine.

Long-Term Debt

At September 30, 2009 \$50 million was outstanding on our \$60 million credit facility with Scotia Capital, a subsidiary of the Bank of Nova Scotia (“BNS”). During the nine-month period ended September 30, 2009, the Company repaid \$10 million on the credit facility. These repayments reduced the outstanding balance from \$60 million at December 31, 2008. Subsequent to September 30, 2009, the Company repaid

an additional \$31.5 million on the facility, reducing the balance outstanding to \$18.5 million. Under the terms of the credit facility, the Company must repay the remaining \$18.5 million by December 2010.

The credit facility is secured by a pledge of the Company's shares in its US, Mexican and Barbados subsidiaries and by physical assets at the Dolores Mine.

Contractual Obligations and Commitments

A summary of the Company's contractual obligations and commitments, net of deposits and prepayments, as at September 30, 2009 is as follows:

Contractual Obligations	Payments Due by Period (in millions)				
	Total	Less Than One Year	1-3 Years	4-5 Years	After 5 Years
Long-term debt obligations ⁽¹⁾	\$ 96.4	\$ 3.8	\$ 92.6	\$ -	\$ -
Bank debt ⁽²⁾	\$ 50.0	\$ 0.0	\$ 50.0	\$ -	\$ -
Operating leases ⁽³⁾	\$ 0.3	\$ 0.1	\$ 0.2	\$ -	\$ -
Asset retirement obligation ⁽⁴⁾	\$ 6.6	\$ -	\$ -	\$ -	\$ 6.6
Total	\$ 153.7	\$ 4.3	\$ 142.8	\$ -	\$ 6.6

⁽¹⁾ In October 2006, the Company issued \$85 million in convertible notes due in December, 2011, unless converted into common shares of the Company at the option of the holder, with an annual interest rate of 4.5% payable in arrears semi-annually.

⁽²⁾ Revolving term credit facility. Does not include payments of interest.

⁽³⁾ Includes existing leases without extensions.

⁽⁴⁾ Estimated asset retirement obligations, presented on a non-discounted cash flow basis.

Share Capital Transactions

During the third quarter of 2009, 3,500 shares of the Company were issued on the exercise of stock options (2008 - 10,000 shares) for net proceeds of \$0.02 million (2008 - \$0.1 million). In the nine-month period, 209,576 shares of the Company were issued on the exercise of stock options (2008 - 269,432 shares) for net proceeds of \$1.1 million (2008 - \$2.2 million).

In September, 2009, pursuant to an equity financing, the Company issued 6,200,000 common shares for net proceeds of \$56.7 million. Subsequent to September 30, 2009, the underwriters exercised an over-allotment option for an additional 350,000 common shares for net proceeds of \$3.3 million.

Financial and Other Instruments

The Company's financial assets and liabilities consist of cash and cash equivalents, receivables and accounts payable and accrued liabilities, convertible notes and the balance outstanding on the credit facility.

The Company is exposed in varying degrees to a variety of financial instrument related risks, including credit risk, liquidity risk, and market risk. Credit risk exposure is limited through maintaining cash and cash equivalents with high-credit quality financial institutions and instruments. To monitor liquidity risk, the Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account the Company's holdings of cash and cash equivalents and available cash under the credit facility. Market risks include foreign currency risk, interest rate risk, and commodity price risk.

The Company manages its foreign currency risk by adjusting balances in currencies other than the US dollar from time to time. The Company has certain commitments to acquire assets at prices denominated in foreign currencies and it incurs certain costs denominated in foreign currencies. The Company may acquire foreign currencies, directly or through derivative positions, to fix such costs in US funds, if it believes it is prudent to do so. At September 30, 2009 the Company had \$13.0 million in US dollar

denominated bank deposits, US\$60.3 million in Canadian dollar denominated bank deposits and US\$0.5 million in Mexican peso denominated bank deposits.

Interest rate risk relates primarily to the floating rate to which the outstanding balance on the credit facility is subject. The convertible debt is not subject to interest rate risk given its fixed rate of 4.5% per annum. The Company is subject to commodity price risk given that the prices of gold and silver fluctuate widely and are affected by numerous factors outside the Company's control. Proceeds from the sale of gold and silver are directly affected by the price of gold and silver.

Outstanding Share Data

As at November 5, 2009 there were:

- 65,767,032 common shares issued and outstanding
- 82.1 million common shares fully diluted, including:
 - 3,954,500 stock options outstanding with exercise prices ranging between CDN\$5.64 and CDN\$12.46 per share, all of which are vested;
 - 4,599,500 share purchase warrants outstanding with an exercise price of CDN\$5.00 per share, all of which are vested; and
 - 7,812,500 common shares that can be converted from convertible notes totalling \$85 million. The notes are convertible at a rate of 91.9118 per \$1,000 principal amount of notes, subject to adjustment.

Accounting Principles

The Financial Statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"), which differ in certain material respects from accounting principles generally accepted in the United States ("US GAAP") (see Note 12 to the Financial Statements).

The policies and estimates are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Changes in Accounting Policies

Effective January 1, 2009, the Company adopted the Section 3064, "*Goodwill and Intangible Assets*", which establishes standards for the recognition, measurement, presentation, and disclosure of goodwill and intangible assets. Adoption of this standard had no effect on the interim consolidated financial statements.

Effective May 1, 2009, with the commencement of commercial production at the Dolores Mine, the Company recognizes revenue in the statement of operations. Revenue is earned primarily from the sale of gold and silver. Revenue from the sale of gold and silver is recognized when the quantity of metal sold and the sales price are fixed, title has passed to the purchaser and collection is reasonably assured.

Effective May 1, 2009, with the commencement of commercial production at the Dolores Mine, the Company has incurred costs during the production phase to remove overburden and other mine waste material in order to access the ore body ("stripping costs"). During the production phase of the a mine, stripping costs are accounted for as variable production costs and included in the cost of inventory during the period except for stripping costs incurred to provide access to sources of reserves that will be produced in future periods that would not otherwise have been accessible which are capitalized to the mineral property. Capitalized stripping costs incurred during the production phase are depleted on a unit-of-production basis over the reserves that directly benefit from the specific stripping activity.

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the Company will transition from current Canadian GAAP reporting and commence reporting under IFRS no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS from Canadian GAAP may materially affect the Company's reported financial position and results of operations and will affect the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also affect business activities, such as foreign currency and hedging activities, certain contractual arrangements, debt covenants, capital requirements and compensation arrangements. The Company is currently evaluating the effect of the transition to IFRS on its financial reporting, systems and business activities and ensuring the appropriate personnel resources and training are in place to ensure an efficient transition.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian GAAP requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date, and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the Financial Statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

The Company records the cost of crushed ore, ore on leach pads, and material in the process of being converted to a saleable product (gold and silver doré) as work in process inventory and values work in process inventory at the lower of average production cost and net realizable value. These costs are removed from work in process inventory based on the ounces of gold and silver produced. The assumptions used in the valuation of work in process inventory include estimates of gold and silver contained in the crushed ore and ore on the leach pads, assumptions of the amounts of gold and silver that are expected to be recovered from crushed ore and ore on the leach pads, estimates of the amounts of gold and silver in the recovery circuit and assumptions of the gold and silver prices expected to be realized when the gold and silver is recovered. If these estimates or assumptions prove to be inaccurate, the Company might be required to write-down the recorded value of work in process inventory.

Mineral property, plant, and equipment, including property acquisition and mine development costs, are recorded at cost. Pre-commercial operating costs, net of incidental revenues, are capitalized as mine development costs until the commencement of commercial production. Commercial production is deemed to have occurred when management determines that the completion of operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time, and there are indicators that these operating results will continue.

The Company assesses the impairment of long-lived assets, which consist primarily of mineral properties, plant and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of the assets to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured as the amount by which the carrying amount of the asset exceeds its fair value.

Asset retirement obligations are recorded when the Company incurs liability for costs associated with the eventual retirement of tangible long-lived assets (for example, reclamation costs). The liability for such costs exists from the time the legal obligation first arises, not when the actual expenditures are made in the future. Such obligations are measured initially at their fair value using discounted present value methodology. The fair value is added to the cost of the related asset and to the Company's liabilities, and is adjusted in later periods for changes in the amount and timing of the expected cash expenditures. The amount added to the asset is amortized in the same manner as the asset. The liability is increased in each accounting period by the amount of the implied interest inherent in the use of discounted present value methodology, and the increase is charged against earnings.

The Company follows accounting guidelines in determining the value of the debt and equity components of the convertible notes. The equity component, representing the fair value of the conversion features, is a calculated amount not based on historical cost, but on subjective assumptions introduced to an option pricing model, in particular: (1) an estimate for the average expected hold period of the convertible notes before exercise; and (2) expected volatility of the Company's share price in the expected hold period (using historical volatility as a reference). The carrying value of the liability component of the convertible notes is measured as the face value of the notes less the portion relating to the conversion feature. Given that there is no market for the conversion feature and it is not transferable, the resulting calculated values of the equity and liability portions are not necessarily the combined value which the holder of the note could receive in an arm's-length transaction.

The Company follows accounting guidelines in determining the value of stock option compensation. This is a calculated amount not based on historical cost, but on subjective assumptions introduced to an option pricing model, in particular: (1) an estimate for the average expected hold period of issued stock options before exercise, expiry or cancellation; and (2) expected volatility of the Company's share price in the expected hold period (using historical volatility as a reference). Given the method for calculating fair value, the fact that there is no market for the options and they are not transferable, the resulting calculated value is an estimate and not necessarily the value which the holder of the option could receive in an arm's-length transaction.

Non-GAAP Measures

This MD&A includes non-GAAP performance measures of "operating cash cost per ounce" and "total cash cost per ounce". Operating and total cash cost per ounce have been determined by the Company on a sales basis. Operating and total cash cost per ounce is a measure typically reported by mining companies but is a non-GAAP measure without standardized meaning. The Company follows the Gold Institute standard in determining operating and total cash cost per ounce. This information is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Reconciliation of Operating and Total Cash Costs to Financial Statements

	Q3 2009	Q2 2009	Q1 2009	YTD 2009	
Operating Cash Costs					
	Operating costs per financial statements	14.5	12.3	-	26.8
Add	Pre-commercial operating costs capitalized to mineral property, plant and equipment	0.0	2.3	8.1	10.4
	Total period operating cash costs	14.5	14.6	8.1	37.2
Divided by	Gold equivalent ounces sold	24,689	27,704	17,152	69,545
	Operating cash cost per gold equivalent ounce sold	587	527	472	535
Total Cash Costs					
	Total period operating cash costs	14.5	14.6	8.1	37.2
Add	Royalties	0.7	0.7	-	1.4
Add	Pre-commercial royalties capitalized to mineral property, plant and equipment	0.0	0.0	0.2	0.2
	Total cash costs	15.2	15.3	8.3	38.8
Divided by	Gold equivalent ounces sold	24,689	27,704	17,152	69,545
	Total cash cost per gold equivalent ounce sold	616	552	484	558
Operating Cash Costs, Net of Silver Credit					
	Total period operating cash costs	14.5	14.6	8.1	37.2
Less	Proceeds from silver sales	(5.3)	(5.3)	(3.6)	(14.2)
	Total period operating cash costs, net of silver sales	9.2	9.3	4.5	23.0
Divided by	Gold ounces sold	19,305	22,108	13,313	54,726
	Operating cash cost per gold ounce sold	477	421	338	420
Total Cash Costs, Net of Silver Credit					
	Total cash costs	15.2	15.3	8.3	38.8
Less	Proceeds from silver sales	(5.3)	(5.3)	(3.6)	(14.2)
	Total cash costs, net of silver sales	9.9	10.0	4.7	24.6
Divided by	Gold ounces sold	19,305	22,108	13,313	54,726
	Total cash cost per gold ounce sold	513	452	353	450

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements except for contractual obligations tabled above.

Related Party Transactions

There were no related party transactions in the quarter or nine-month period ended September 30, 2009.

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported accurately and on a timely basis.

Changes in Internal Controls Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the Company's period ended September 30, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls and procedures, 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 system of control 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.

Risks and Uncertainties

This MD&A contains certain "forward-looking statements" and "forward-looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "continue" or similar terminology. Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Certain of the statements made herein by Minefinders are forward-looking and subject to important risk factors and uncertainties, both known and unknown, many of which are beyond the Company's ability to control or predict. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Those factors are described or referred to under the heading "Risk Factors" of Minefinders' Annual Information Form for the year ended December 31, 2008 which is incorporated by reference herein and available on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Minefinders does not undertake to update any forward-looking statements that are incorporated by reference, except in accordance with applicable securities laws.

Note to US Investors

While the terms “mineral resource,” “measured mineral resource,” “indicated mineral resource,” and “inferred mineral resource” are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. Therefore, information contained in this report and in the Company’s Annual Information Form concerning descriptions of mineralization and resources under Canadian standards will not be comparable to similar information made public by US companies subject only to the reporting and disclosure requirements of the Securities and Exchange Commission. “Indicated mineral resource” and “inferred mineral resource” have a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It can not be assumed that all or any part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.