Plata Latina Minerals Corporation

Management's Discussion & Analysis
For the Three Months Ended June 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This management's discussion and analysis ("MD&A") of Plata Latina Minerals Corporation for the three months ended June 30, 2012, takes into account information available up to and including August 16, 2012. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2011, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee (together "IFRS") and the condensed consolidated interim financial statements (unaudited) for the three and six months ended June 30, 2012 prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. The consolidated financial statements referred to above are available on the Company's website at www.plminerals.com and on the SEDAR website at www.sedar.com. The information provided herein supplements, but does not form part of, the condensed consolidated interim financial statements (unaudited) for the three and six months ended June 30, 2012. This discussion covers the three months ended June 30, 2012, and the subsequent period up to the date of this MD&A.

Throughout this document the terms we, us, our, the Company and Plata refer to Plata Latina Minerals Corporation and its subsidiary in the year. All financial information in this document is presented in Canadian dollars unless otherwise indicated.

Additional information about the Company can be requested from Ms. Letitia Cornacchia, Vice President, Investor Relations and Corporate Communications at +1 416 860 6310, located at 2nd Floor – 181 Bay Street, Toronto, Ontario M5J 2T3.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information which deals with intentions, beliefs, expectations and future results as they pertain to the Company and the Company's industry. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this MD&A. Forward-looking information is often, but not always, identified by the use of words such as "seeks", "believes", "plans", "expects", "intends", "estimates", "anticipates", "objective", "strategy" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. This forward-looking information includes, without limitation, information about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this MD&A contains forward-looking information concerning its exploration of the Naranjillo Property, which information has been based on exploration on the Naranjillo Property to date and the recommended work program set forth in the Technical Report (described below) concerning the Naranjillo Property, the non-material properties of the Company, the proposed expenditures for exploration work and ability to raise further capital. Forward-looking information is information about the future and is inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including, without limitation, those referred to under the heading "Risks and Uncertainties". The forward-looking information is based on a number of assumptions, including assumptions regarding general market conditions, the availability of financing for proposed transactions and programs on reasonable terms, the ability of outside service providers to deliver services in a satisfactory and timely manner, prevailing commodity prices and exchange rates and prevailing regulatory, tax and environmental laws and regulations. The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

The Company undertakes no obligation to reissue or update any forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

This MD&A includes many cautionary statements, including those stated under the heading "Risks and Uncertainties". You should read these cautionary statements as being applicable to all related forward-looking information wherever it appears in this MD&A.

ABOUT RESERVES AND RESOURCES

National Instrument 43-101 ("NI 43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to the Company's continuous disclosure documents available at www.sedar.com for this detailed information, which is subject to the qualifications and notes set forth therein.

DESCRIPTION OF BUSINESS

The Company was incorporated pursuant to the Business Corporations Act (British Columbia) on April 1, 2010. The Company's head office as well as registered and records office is located at #400-837 West Hastings Street, Vancouver, British Columbia, V6C 3N6. The Company has one wholly-owned subsidiary, Plaminco S.A. de C.V. ("Plaminco"). Plaminco is organized under the laws of Mexico and holds the Company's interest in the Naranjillo Property and four other properties in the Mexican Silver Belt. On April 11, 2012, Plata began trading on the TSX Venture Exchange ("TSX-V") under the symbol "PLA".

Plata and its wholly owned subsidiary, Plaminco, are engaged in mineral exploration, principally in the Mexican Silver Belt in the states of Guanajuato, Aguascalientes and Jalisco, Mexico.

Strategy

The Company's objective is the discovery of one or more new silver-gold vein districts in the style of the historical San Dimas, Fresnillo, Zacatecas, Guanajuato and Pachuca-Real del Monte districts of Mexico. To achieve this objective, the Company is pursuing a strategy that focuses its efforts on the Mexican Silver Belt and applying knowledge gained from experience working with this deposit style to identify and discover sub-cropping or non-outcropping ore deposits. The Company intends to identify and explore a number of prospects and is currently concentrating on the Naranjillo Property.

Naranjillo Property

The Company is currently focused on the exploration of its 100% owned Naranjillo Property ("Naranjillo" or the "Naranjillo Property"), which is situated in Guanajuato, Mexico. Naranjillo consists of four government mineral exploration concessions issued by the Mexican General Directorate of Mines ("GDM"), La Sibila, La Sibila I, La Sibila II and La Sibila III (pending) (the "Concessions"), totaling 31,701 hectares in area. The Company holds its interest in the Concessions through Plaminco. Under Mexican law, the Company may retain the mineral rights for 50 years from issue of the title.

A Technical Report prepared by David S. Dunn, an independent "Qualified Person" as defined under NI 43-101 was completed with respect to the Naranjillo Property on February 27, 2012 (the "Technical Report"). The Technical Report recommends that the Company carry out a phase three diamond core drilling program of approximately 10,000 meters as well as a supporting ground-magnetic geophysical survey. Portions of the information identified and contained in this document are based on assumptions, qualifications and procedures which are not fully described herein. Reference can be made to the full text of the Technical Report, which is available for review under the Company's profile on the sedar website at www.sedar.com.

Prior to the Company's involvement there have been no known exploration drill holes and the amount of sampling and geological mapping carried out under previous owners is unknown.

Other Mineral Exploration Interests

In addition to the Naranjillo Property, the Company has mineral exploration interests in various early-stage exploration concessions:

Los Agustinos Project

The Los Agustinos project consists of the titled Felipe Mateo license issued by the GDM to Plaminco on December 13, 2011. This license covers 6,966 hectares and is valid for fifty years following issuance of title.

La Joya Project

The La Joya project consists of the La Carmen license issued by the GDM to Plaminco on December 21, 2010. This licence and covers 5,635 hectares and is valid for fifty years following issuance of title.

Palo Alto Project

The Palo Alto project consists of the Catalina, Catalina II and Catalina III licenses. The Catalina III license was issued to Plaminco on November 30, 2011. These licenses cover 5,655 hectares and are valid for fifty years following issuance of title. Formal titles to the Catalina and Catalina II concessions are pending approval from the GDM.

The project falls within a Protected Natural Area and requires a submission of an environmental impact assessment ("EIA") and state permission to drill. The EIA is near completion and permission to drill is expected in the third quarter of 2012.

Vaquerias Project

The Vaquerias project consists of the Vaquerias license held by way of an interest through a purchase option agreement dated June 30, 2011, between Plaminco and David Espinosa and Pedro Fernandez (the "Vendors"). The option agreement requires Plaminco to pay US$500,000 over four years (the "Vaquerias Option"). The Vendors will retain a 2% net smelter return. The agreement provides Plaminco with the option of purchasing the net smelter return for US$500,000 within 18 months of exercising the Vaquerias Option. The Vaquerias license covers 100 hectares and several old silver mines.

In addition, the Company holds two titled adjacent concessions, known as Sol and Luna, and a third, Tierra which is pending formal title. The GDM issued title to the Sol license, totalling 4,900 hectares, on December 13, 2011. The adjacent Luna license, which covers 3,500 hectares, was issued to Plaminco on December 8, 2011. Both licenses are valid for fifty years following issuance of title.

QUARTER IN REVIEW

Naranjillo Property

In late March 2012, Plata commenced the phase three diamond core drill program as recommended by the Technical Report with one drill on the Naranjillo Property. In late April 2012, a second diamond core drill was contracted for 4,000 meters and commenced drilling at Naranjillo. During the quarter, Plata drilled 7,500 meters on Naranjillo under the phase three program.

The initial results of the phase three program were the assay results available from the drilling to the end of May 2012 which continued to indicate the presence of a significant epithermal silver-gold vein system.

The Company reported assays in June 2012 for three additional drill holes at Naranjillo (BDD-N-11, BDD-N-12, BDD-N-14), with results ranging up to 2,040 g/t Ag and 15.40 g/t Au over 2.77 metres on the principal Villa vein. Drill holes BDD-N-12 and BDD-N-14 represent successive step-outs of approximately 100 metres from the original high-grade intercept in the Company's discovery hole, BDD-N-10, which averaged 3,181 g/t silver and 13.28 g/t gold over 10.95 metres on the Villa vein, as previously reported. Hole BDD-N-11 explored the outlying San Diego vein group. This drilling discovered significant silver-gold values on splits of the Villa vein, as well as on a vein in the outlying San Diego vein group, approximately three kilometres to the northwest of the drilling at the Villa vein on the Naranjillo property.

A summary of these results are provided in the table below.

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Ag (g/t)	Au (g/t)	Vein/Comment
BDD-N-11	601.30	602.95	1.65	1.24	316	0.35	San Diego Vein System
BDD-N-12	643.21	645.35	2.14	1.65	641	1.49	Villa Vein (Hangingwall)
BDD-N-12	**672.39**	**675.16**	**2.77**	**2.13**	**2,040**	**15.40**	**Villa Vein**
BDD-N-12	684.66	688.88	4.22	3.25	120	0.80	Villa Vein (Footwall)
BDD-N-13	*Hole lost before reaching mineralization*						
BDD-N-14	799.14	799.45	0.31	0.24	99	0.30	Villa Vein (Footwall)

At the end of the quarter, the Company had two diamond core drills working on the Naranjillo property.

Corporate Developments

Initial Public Offering

On April 9, 2012 the Company completed its initial public offering (the "Offering") for 6,900,000 common shares (the "Shares") at a price of C$0.50 per share for gross proceeds of C$3,450,000. Proceeds from this Offering will be used primarily to execute and support the Company's phase three diamond core drill program on its Naranjillo Property. Proceeds will also be used for general working capital purposes.

Haywood Securities Inc. acted as the agent of the Offering ("Agent"). The Agent received a cash commission equal to 5% of the gross amount raised in the Offering. In addition, the Agent received an option (the "Agent's Option") to purchase that number of Shares as is equal to 5% of the Shares sold pursuant to the Offering. The Agent's Option is exercisable for a period of one year following the closing of the Offering at a price of $0.50 per Share.

TSX-V Trading

Plata's Shares commenced trading on the TSX-V under the symbol "PLA" on April 11, 2012.

Issuance of Stock Options

On March 1, 2012, the Company's stock option plan was approved by the Board of Directors of the Company which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company's long-term incentive scheme.

On March 22, 2012, the Board of Directors approved the grant of 1,185,000 options to purchase shares, to be granted in connection with the completion of listing on the TSX-V. Subsequently, on the date of listing on the TSX-V (April 11, 2012), these 1,185,000 stock options with an exercise price of $0.50 were granted to directors, executive officers, employees and consultants.

DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2012

Naranjillo Property Update

Subsequent to June 30, 2012, the Company continued to drill on the Naranjillo property and evaluate assay results as they are received from the analysis laboratory.

On August 9, 2012 announced further results from ongoing drilling at Naranjillo that continue to indicate the presence of a significant epithermal silver-gold vein system as it received assays for eight additional drill holes at Naranjillo (BDD-N-15, BDD-N-16, BDD-N-18, BDD-N-19, BDD-N-20, BDD-N-21, BDD-N-22 and BDD-N-23), with results ranging up to 4,091 g/t Ag and 14.24 g/t Au over 5.95 metres on the principal Villa vein. In addition to the Villa vein results, this drilling has also discovered significant silver-gold values on a neighboring vein, the Naranjillo vein, located approximately 100 metres west of the Villa vein.

These drilling results have revised the strike of the Villa vein to a north-easterly strike from the previously interpreted northwesterly direction, and drill-rig orientations have adjusted to the revised strike. Estimated vein true widths are reported accordingly in the long section view of the Villa vein. The north-easterly strike of the Villa vein suggests that it, and probably the newly discovered Naranjillo vein as well, represent blind cross-over veins formed between the northwesterly structures mapped on the surface.

The results have also begun to define the upper and lower limits of a mineralized horizon on the Villa vein. Holes BDD-N-12 and BDD-N-23, located approximately 110 and 70 metres, respectively, from the discovery hole, BDD-N-10, have encountered strongly elevated Ag-Au values over a vertical interval of at least 100 metres. Located approximately 150-200 metres above these strong Ag-Au values, holes BDD-N-5, BDD-N-16 and BDD-N-19 all found strong clay pyrite alteration typical of the alteration found above epithermal deposits. Holes BDD-N-14, BDD-N-18 and BDD-N-22 encountered relatively low Ag-Au grades, suggesting they are located near the bottom of a mineralized horizon. Following these indications, further drilling will test above holes BDD-N-10, 12 and 23 for the upper limits of the mineralized horizon and test as well to the northeast and southwest for lateral extension of these elevated Ag-Au values.

The Company now has one diamond core drill working on the Naranjillo property with a second drill scheduled to start in mid-August and a third planned for October of this year. The previous second drill on site was returned to the drill contractor in early July. All three drills will be focused on advancing the Company's exploration at Naranjillo for hidden silver bearing vein structures similar in characteristic to other major deposits in the Mexican Silver Belt. Plata Latina has identified a system of northwesterly-striking veins and related north-easterly striking veins at Naranjillo that has so far produced significant drill-hole values over a distance of approximately five kilometres along the vein system.

A summary of these results is provided in the table below.

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Ag (g/t)	Au (g/t)	Vein
BDD-N-15	498.96	499.25	0.29	0.15	1,860	2.68	Naranjillo Vein
BDD-N-16	No significant values						Villa Vein
BDD-N-17	Lost hole						
BDD-N-18	708.20	710.24	2.04	1.17	117	1.22	Villa Vein
BDD-N-19	No significant values						Villa Vein

BDD-N-20	No significant values						Naranjillo Vein
BDD-N-21	526.39	524.03	2.36	1.18	20	0.39	Naranjillo Vein
BDD-N-22	673.92	675.99	2.07	1.18	84	0.37	Villa Vein
BDD-N-23	**601.13**	**607.08**	**5.95**	**3.40**	**4,091**	**14.24**	**Villa Vein**

REVIEW BY QUALIFIED PERSON, QUALITY CONTROL AND REPORTS

The technical information contained under section 'Quarter in Review' this MD&A has been reviewed, verified and compiled by David S. Dunn, P.Geo., a qualified person as defined by NI 43-101.

The technical information contained under the section 'Developments subsequent to June 30, 2012' has been reviewed, approved and verified by Michael Clarke, a Qualified Person as defined under NI 43-101. Mr. Clarke is the President and CEO of Plata and has been a geologist for more than 40 years, which includes work on numerous epithermal gold and silver vein deposits.

QUALITY ASSURANCE AND QUALITY CONTROL

Commercially obtained standards were inserted between every tenth core sample as were blanks obtained from barren rock in nearby road material quarries. Chemex laboratory also inserted a blank and a standard every 20 samples. Rejects and pulps from the high grade intersection in hole BDD-N-10 were both re-assayed at ActLabs and the average of these two assays and the original Chemex assay are included in the results as previously reported.

Chemex has no relationship with Plata beyond commercially providing analytical services to the Company. The Chemex North Vancouver, Canada, analytical facility is certified to standards within ISO 9001:2008 and has received accreditation to ISO/IEC 17025:2005 from the Standards Council of Canada (SCC) for the analytical methods used on Plata samples. Both the Chemex Guadalajara and Zacatecas, Mexico, prep labs are certified to standards within ISO 9001:2008.

OUTLOOK

The Company's primary focus over the next several months will be on advancing the exploration at Naranjillo for hidden silver bearing vein structures similar in characteristic to other major deposits in the Mexican Silver Belt by expanding the drill program to include a total of 25,000 meters in the second half of the year with three drill rigs on site by Q4 2012.

The four other properties to which the Company either holds title to or that are pending formal title, (La Joya, Palo Alto, Vaquerias and Los Agustinos) may have exploration programs initiated in 2012. In addition, the Company continues prospecting and placing exploration licenses on any promising ground of interest. Negotiations for prospective ground will proceed as opportunities arise.

Notwithstanding any possible acquisitions, the Company believes the current cash position coupled with the proceeds from the initial public offering and exercise of warrants should be sufficient to meet any obligations as they become due in the coming year.

FINANCIAL REVIEW AND RESULTS OF OPERATIONS

The following summary of financial information has been derived from the condensed consolidated interim financial statements (unaudited) of the Company which have been prepared in accordance with IFRS as noted in the 'Introduction'.

RESULTS OF OPERATIONS

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Expenses:				
Salaries and benefits	$ 118,310	$ 81,883	$ 189,741	$ 165,251
Share-based payments	198,273	-	198,273	-
Exploration	4,381	76,863	61,132	119,180
Professional services	13,867	27,498	40,848	49,714
Office and administration	36,366	8,863	48,843	20,524
Rent	18,287	12,756	28,455	22,678
Foreign exchange loss	3,000	913	9,839	5,509
Investor relations	10,372	3,436	14,102	5,460
Fiscal and advisory services	11,299	-	11,299	-
Filing and regulatory	2,539	-	2,561	-
Finance costs	58	662	327	1,562
Depreciation	551	1,787	3,125	1,845
Net loss for the period	**(417,303)**	**(214,661)**	**(608,545)**	**(391,723)**
Other comprehensive loss (income):				
Foreign currency translation differences	10,119	(17)	(59,018)	1,197
Comprehensive loss for the period	**$ (427,422)**	**$ (214,644)**	**$ (549,527)**	**$ (392,920)**
Basic and diluted net loss per share	$ (0.010)	$ (0.007)	$ (0.017)	$ (0.014)
Weighted average number of shares outstanding	43,261,005	28,835,000	36,048,003	28,112,956

June 30, 2012 compared to June 30, 2011

For the three months ended June 30, 2012, the Company incurred a $417,303 net loss before other comprehensive income, or $0.01 loss per share, compared to a $214,661 net loss or $0.007 loss per share for the three months ended June 30, 2011. The effect of the share-based payments granted and issued in April 2012 of $198,273 accounted for the majority of the increase in the loss. Further to the share-based payments, Plata has increased its corporate activity to support the exploration programs and the TSX-V listing, which resulted in an associated increase in the salaries and benefits of $36,427 and office and administrative of $27,503. The increase in spend was offset by the reduction of the exploration expense of $72,482 which is largely due to the majority of the exploration costs qualifying for capitalization.

For the six months ended June 30, 2012, the Company incurred a $608,545net loss before other comprehensive income, or $0.017 loss per share, compared to a $391,723 net loss or $0.014 loss per share for the six months ended June 30, 2011. The reasons for the relative change in the expenses in the six month period were consistent with those described above in the three months ended June 30, 2012 as compared to the three months ended June 30, 2011.

PROJECT COSTS CAPITALIZED

Naranjillo Property

As at June 30, 2012, the carrying value of the Naranjillo Property exploration and evaluation assets was $2,201,679 which increased by $1,401,934 from $799,745 as at December 31, 2011 and by $1,022,854 from $1,178,825 as at March 31, 2012 as follows:

	Additions for the three months ended June 30, 2012	Additions for the six months ended June 30, 2012
Field Work Phase		
Assaying	$ -	$ -
Contractor and general labour	-	-
Travel, food and accommodations	2,864	5,665
Camp costs, supplies and other	103	232
Vehicles and related costs	782	1,386
Drilling Phase		
Assaying	39,775	56,850
Contract drilling	885,409	1,100,050
Contractor and general labour	53,730	88,063
Travel, food and accommodations	5,467	11,462
Camp costs, supplies and other	23,349	29,115
Vehicles and related costs	2,587	4,917
Equipment rentals	-	46
Other		
Claims and taxes	-	10,692
Salaries and benefits	26,525	53,764
Legal	737	1,231
Depreciation	4,961	4,961
Environmental	3,131	3,131
	1,049,420	1,371,565
Foreign Exchange Movements	(26,566)	30,369
	$ 1,022,854	$ 1,401,934

During the three months ended June 30, 2012, the Company capitalized $1,022,854 of expenditures to its Naranjillo Property. As noted in the section 'Quarter in Review', during Q2 2012 the Company initiated the phase three diamond drill program completing 7,500 meters at the Naranjillo Property. In the three months ended June 30, 2012, the most significant costs incurred on the Naranjillo Project were $885,409 in relation to the contract for diamond drilling, which was supported by: $53,730 of geologist drill supervision and drill specific labour, $39,775 of assaying costs, $26,525 of salaries, and $23,349 of camp costs including supplies and other necessary expenditure to support the program.

Foreign exchange movements represent the non-cash impact of the retranslation of Plaminco's March 31, 2012 exploration and evaluation expenditures, denominated in Mexican pesos. The exchange variations resulting from the retranslation at closing rate are recognized in other comprehensive income as part of the foreign currency translation reserve.

Other Properties

During the quarter ended June 30, 2012 Plata commenced capitalization of the exploration costs associated with the Vaquerias and Palo Alto properties. Previously all costs associated with these two properties were expensed as incurred. The amount of $17,467 was capitalized which was largely in relation to the June 2012 option payment for the Vaquerias property of approximately $11,000.

EXPLORATION EXPENSES

The following is a summary of exploration and evaluation expenditures expensed by category:

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Assaying	$ -	$ 1,972	$ 15,717	$ 4,146
Contractor and general labour	761	29,935	8,574	49,452
Travel, food and accommodations	232	8,854	1,498	18,952
Camp costs, supplies and other	571	2,184	630	3,296
Vehicles and related costs	-	2,485	488	4,388
Environmental	-	9,625	3,273	9,625
Survey work	-	4,696	-	7,781
Claims and taxes	1,744	17,112	22,051	21,540
Salaries and benefits	-	-	4,079	-
Legal	1,073	-	4,822	-
	$ 4,381	**$ 76,863**	**$ 61,132**	**$ 119,180**

As noted above under the sections 'Quarter in Review' and 'Project Costs Capitalized' the primary focus of Plata has been on the Naranjillo Property where the exploration costs are being capitalized. In addition, in the second quarter, costs for Vaquerias and Palo Alto have commenced capitalization further reducing the exploration costs being expensed. The exploration expenses incurred in the three month period relate to on-going requirements associated with maintaining the properties.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2012, the Company had cash of $3,453,912 (December 31, 2011 – $1,172,112) and working capital of $3,549,173 (December 31, 2011 – $1,107,942). Cash and working capital increased $2,281,800 and $2,441,231, respectively, from December 31, 2011 to June 30, 2012.

Operating activities for the three and six months ended June 30, 2012 used cash in the amount of $258,485 and $502,488, respectively compared to the use of cash of $212,397 and $457,715 in fiscal 2011. While the use of cash appears to be largely consistent on an aggregate basis, in 2012 the exploration expenses are primarily being capitalized and included in investing activities, reducing their effect on operating cashflows. There was also an offsetting increase in operating costs such as salaries and benefits and office and administration, which were incurred to support the exploration programs and the TSX-V listing.

Cash from financing activities for the three and six months ended June 30, 2012 was $4,424,982 and $4,424,220, respectively compared with $nil and $2,800,500 in fiscal 2011. Sources of cash for the three months ended June 30, 2012 consist of the funds received from the initial public offering of $3,450,000 along with associated share issue costs of $358,968 (total associated with the initial public offering of $445,320), and funds from the exercise of warrants of $1,333,950. In addition, $85,590 was received in relation to the repricing of the President and Chief Executive Officer's common shares in order to meet the requirements of the regulatory authorities as part of the prospectus process in support of listing the Company on the TSX-V.

Investing activities for the three and six months ended June 30, 2012 used cash of $1,180,477 and $1,631,388, respectively compared with $73,032 and $92,503 in fiscal 2011. The difference in cash used primarily relates to the phase two and three exploration programs at the Naranjillo Property using $998,798 in the second quarter and $1,395,633 over the six month period to June 30, 2012. In support of the exploration programs was the purchase of property, plant and equipment in the three and six months ended June 30, 2012 of $29,292 and $36,693, respectively. Associated with the activities in Mexico is the long-term receivable of refundable taxes which increased by $152,387 in the three months ended June 30, 2012 and by $199,062 for the six months to June 30, 2012.

Based on the operating and capital budget approved by the Board of Directors, the Company believes the current cash position along with the proceeds received from the initial public offering should be sufficient to enable the Company to complete its planned phase three drill program on the Naranjillo Property and to pay for its obligations as they become due for the next twelve months. The Company will continue to rely on equity subscriptions to funds it ongoing operating and capital requirements. Access to funding to finance its operations is dependent on a number of factors, some of which is beyond the Company's control, which may impede access to the equity markets. As a result, there is no assurance that the Company can continue to access the equity markets to raise sufficient capital to fund its operating and capital requirements.

CONTRACTUAL OBLIGATIONS

As at June 30, 2012, the Company's contractual obligations were as follows:

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Operating lease obligations	$ 41,800	$ 45,300	$ 37,900	$ 24,000	$ 149,000
Accounts payable and accrued liabilities	82,725	-	-	-	82,725
	$ 124,525	$ 45,300	$ 37,900	$ 24,000	$ 231,725

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The Company was incorporated on April 1, 2010 and the quarterly information is available from April 1, 2010 to June 30, 2012.

	Net loss	**Loss per share**
Q2 2012	$ (417,303)	$ (0.01)
Q1 2012	(191,242)	(0.01)
Q4 2011	(348,757)	(0.01)
Q3 2011	(176,720)	(0.01)
Q2 2011	(214,661)	(0.01)
Q1 2011	(177,062)	(0.01)
Q4 2010	(142,699)	(0.01)
Q3 2010	(144,526)	(0.01)
Q2 2010	(101,347)	(0.01)

Factors that can cause fluctuations in the Company's quarterly results include the timing of stock option grants, allocation of exploration costs to be capitalized, corporate activity and foreign exchange gains or losses related to the Company's holding of Mexican pesos and US dollars denominated working capital items. Since Plata does not yet have any mining assets in production, the Company believes that its losses and loss per share is not a primary concern to investors in the Company.

SHARE CAPITAL INFORMATION

As at August 16, 2012, the Company had 47,957,826 common shares issued and outstanding and no share purchase warrants. At August 16, 2012, the Company had outstanding 1,145,000 stock options to directors, officers, consultants, and employees with an average exercise price of $0.50 per share.

PROPOSED TRANSACTIONS

There are no undisclosed proposed transactions that will materially affect the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any material off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions

The Company shares office space, equipment, personnel and various administrative services with other companies related by virtue of certain common directors and management. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on the time incurred and use of services and are charged at cost. In addition, certain other professional administrative services have been provided by other related companies and charged at cost. There is no fee or administrative charge from the management company. During the three and six months ended June 30, 2012, the Company was charged $102,240 and $165,985 (three and six months ended June 30, 2011 – $61,607 and $108,788) in connection with these arrangements, which was largely in relation to the payment of salaries and rent. Amounts are due on demand, unsecured, and have no terms or repayment.

At June 30, 2012, there was a balance of $42,189 (December 31, 2011 – $32,454) of prepaid expenses paid to the management company. In addition, there is an amount of $344 (December 31, 2011 – $7,143) due to a related company for office and administrative costs paid on behalf of Plata.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed consolidated interim financial statements (unaudited) requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Management considers the policies described in Note 2 of the audited consolidated financial statements for the year ended December 31, 2011 to be the most critical in understanding the judgments that are involved in the preparation of the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows.

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting periods beginning on or after January 1, 2013, except for IFRS 9, which has now been extended to periods on or after January 1, 2015. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

- IFRS 9, *Financial Instruments: Classification and Measurement* is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Company has not yet assessed the impact of this standard on its financial reporting.

- IFRS 10, *Consolidated Financial Statements* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance where it is difficult to assess. IFRS 10 replaces the consolidated requirements in SIC-12, *Consolidated-Special Purpose Entities*, and IAS 27, *Consolidated and Separate Financial Statements*. There are no substantive changes arising from this standard on the Company's financial reporting.

- IFRS 11, *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. There are no substantive changes arising from this standard on the Company's financial reporting.

- IFRS 12, *Disclosures of Interest in Other Entities* provides the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint agreements, associates and consolidated structured entities. The Company has not yet assessed the impact of this standard on its financial reporting.

- IFRS 13, *Fair Value Measurement* provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements. The Company has not yet assessed the impact of this standard on its financial reporting.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of risks arising from its use of financial instruments. These risks and management's objectives, policies and procedures for managing these risks are disclosed as follows:

Risk management

The main risks that could adversely affect the Company's financial assets, liabilities and future cash flows are foreign currency risk, liquidity risk, and credit risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Company manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Foreign currency risk

The Company incurs expenditures in Canadian dollars, US dollars and Mexican pesos. The functional and reporting currency of the parent company is Canadian dollars. Foreign exchange risk arises due to the amount of the Mexican pesos and US dollar cash, receivables or payables that will vary in Canadian dollar terms due to changes in exchange rates. The Company has not hedged its exposure to currency fluctuations.

At June 30, 2012, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars ("US$") and Mexican pesos ("MXP") dollars:

	In USD Dollars		In Mexican Pesos	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
	(US$)	(US$)	(MXP)	(MXP)
Cash	9,494	226,096	783,015	542,787
Trade and other receivables	2,065	1,095	39,501	26,566
Long-term receivables	-		4,930,678	2,278,804
Accounts payable and accrued liabilities	(42,117)	(100,274)	(173,453)	(139,054)
	30,558	126,917	5,579,741	2,709,103

A 10% change of the Canadian dollar against the US dollar at June 30, 2012 would have increased or decreased net loss by $3,114 and a 10% change of the Canadian dollar against the Mexican peso at June 30, 2012 would have increased or decreased the comprehensive loss by $42,400. This analysis assumes that all other variables, in particular interest rates, remain consistent.

Liquidity risk

Liquidity risk arises through excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company seeks to achieve this by maintaining sufficient cash.

The Company has no contractual obligations other than accounts payables and accrued liabilities described in the notes to the consolidated financial statements.

Commodity price risk

While no resource estimate has yet been prepared for the Company's core mineral resource property, the market value of the Company is related to the price of silver and the outlook for this mineral. The Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on trade and other receivables. The maximum exposure to credit risk is equal to the carrying value of cash and trade and other receivables.

Fair value

The Company's financial instruments consist of cash, trade and other receivables long-term receivables, and accounts payable and accrued liabilities. The fair value of the Company's financial instruments is estimated by management to approximate their carrying value based on their immediate or short-term maturity.

Capital management

Capital includes warrants and equity attributable to the equity holders of Plata.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the exploration of mineral properties and to maintain flexible capital which optimizes the costs of capital at an acceptable risk level.

The Company manages its 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 issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. No changes were made in the objectives, policies or procedures during the period ended June 30, 2012.

In order to maximize funds available for its exploration efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements.

RISKS AND UNCERTAINTIES

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described in the Company's Management's Discussion and Analysis for the year ended December 31, 2011, and the other information filed with the Canadian securities regulators before investing in the Company's common shares. Plata's business is subject to a number of risks and uncertainties including those described in the Company's Management's Discussion and Analysis for the year ended December 31, 2011, which is available on the Company's website at www.plminerals.com and SEDAR at www.sedar.com. Any of the risks and uncertainties described in the above-noted document could have a material adverse affect on the Company's business and financial condition and accordingly, should be carefully considered in evaluating the Company's business.

PLATA LATINA MINERALS CORPORATION

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