Plata Latina Minerals Corporation

Management's Discussion & Analysis

For the Year Ended December 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This management's discussion and analysis ("MD&A") of Plata Latina Minerals Corporation for the year ended December 31, 2012, takes into account information available up to and including April 15, 2013. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012, 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"). 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 audited financial statements for the year ended December 31, 2012. This discussion covers the year ended December 31, 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 subsidiaries 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, the exploration of other 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 #600-837 West Hastings Street, Vancouver, British Columbia, V6C 3N6. The Company has five wholly-owned subsidiaries, Plaminco S.A. de C.V. ("Plaminco"), Minera Central Vaquerias S.A. de C.V. ("MCV"), Minera Exploradora del Centro S.A. de C.V. ("MEC"), Servicio PLMC ("Servicio") and Plata Latina US Ltd. ("Plata US"). Plaminco is organized under the laws of Mexico and holds the Company's interest in the Naranjillo Property and at the date of this MD&A holds the four other properties in the Mexican Silver Belt. MCV, MEC and Servicio were incorporated in Mexico in 2013. Plata US is organized under the laws of Colorado and was incorporated for administrative purposes. 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 commenced its initial efforts on the Naranjillo Property where it continues to drill and is now also in the process of expanding its focus to the other properties.

Naranjillo Property

The Company began its focus 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 recommended that the Company carry out a phase three diamond core drilling program ("Phase Three") of approximately 10,000 metres 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, Catalina II and Catalina III licenses were issued by the GDM to Plaminco on November 22, 2012, November 4, 2011 and November 30, 2011, respectively. Together, all three licenses cover 5,655 hectares and are valid for fifty years following issuance of title.

The project falls within a Protected Natural Area and requires a submission of an environmental impact assessment ("EIA") and state permission to drill.

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 to the Vaquerias Option, the Company holds three titled adjacent concessions, known as Sol, Luna Tierra. The Sol, Luna and Tierra licenses were issued by the GDM to Plaminco on December 13, 2011, December 8, 2011, and April 13, 2011, respectively. Together, all three licenses cover 15,900 hectares and are valid for fifty years following issuance of title.

YEAR IN REVIEW

EXPLORATION IN THE YEAR

In 2012, the Company focused its efforts on the Naranjillo Property as described in more detail below. There was limited exploration activity on the other properties during the year.

Naranjillo Property

<u>Phase Two Exploration Program ("Phase Two")</u>

Phase Two was initiated in the fourth quarter of 2011 and completed mid-February 2012 drilling two holes for 1,707 metres on the Naranjillo Property. Subsequently, on March 5, 2012 Plata announced that Phase Two returned results that may indicate the presence of a significant epithermal silver-gold vein system. Phase Two drilling discovered a blind epithermal vein system with values up to 17,833 g/t silver and 71.81 g/t gold over 1.60 metres within the Company's discovery hole, BDD-N-10, which averages 3,181 g/t silver and 13.28 g/t gold over a drilled 10.95 metres (7.74 metres estimated true width) on the Villa vein.

On completion of Phase Two, the Company had completed on the Naranjillo Property a total of 5,476 metres in eight drill holes of which three returned significant results. The drilling was interpreted to have defined a system of northwesterly-striking veins that have 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 below.

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Ag (g/t)	Au (g/t)	Vein
BDD-N-10	585.45	596.40	10.95	7.74	3,180.9	13.28	Villa
Includes	587.40	589.00	1.60	n/a	17,833.4	71.81	
BDD-N-2	588.00	592.00	4.00	2.80	61.1	0.40	Sibila FW
Includes	588.58	588.95	0.37	n/a	440.0	3.01	
BDD-N-8	543.26	545.25	1.99	1.00	112.2	0.47	San Diego Group
Includes	544.50	545.25	0.75	n/a	171.0	0.85	
BDD-N-8	625.75	626.65	0.90	0.63	140.0	0.35	San Diego Group

In response to the results from the first two drill programs, the Technical Report recommended that Plata design and carry out Phase Three in 2012 at Naranjillo of approximately 10,000 metres in 15-20 drill-holes to further test all five target areas identified as well as a supporting ground-magnetic geophysical survey. The drilling was recommended to target the structures below an elevation of 1,350 metres to optimise the changes of intercepting the structures within the projected mineralized horizons.

<u>Phase Three Exploration Program ("Phase Three")</u>

In late March 2012, diamond core drilling commenced on the Naranjillo Property with one drill on site initiating Phase Three at Naranjillo. In the following month, a second diamond core drill was contracted for 4,000 metres and commenced drilling on the Naranjillo Property and continued to drill on site until July 2012 when it was returned to the contractor.

In August 2012, the Company achieved the 10,000 metres as recommended for Phase Three in the Technical Report and Phase Three was expanded to 17,578 metres in aggregate with another diamond core drill brought on site in September 2012.

During the third quarter, the Company 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 thirteen 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, BDD-N-23, BDD-N-24, BDD-N-25, BDD-N-26, BDD-N-27, and BDD-N-28), with results ranging up to 4,091 g/t Ag and 14.24 g/t Au over 5.95 metres (true width of 3.40 metres) on the principal Villa vein. The drilling results received in the third quarter revised the strike of the Villa vein to a north-easterly strike from the previously interpreted northwesterly direction, and drill-rig orientations were adjusted to the revised strike. The north-easterly strike of the Villa vein suggests that it, and its associated vein splits represent blind cross-over veins formed between the northwesterly structures mapped on the surface.

The drilling identified a split of the Villa vein where the vein diverges at depth into a hanging-wall and a foot-wall vein, both of which host significant silver-gold values. The highest grades occur at and near the structural intersection of the hanging-wall and foot-wall veins. Results at this intersection include 3,181 g/t silver and 13.28 g/t gold over 10.95 metres (true width of 7.74 metres) and 4,091 g/t silver and 14.24 g/t gold over 5.95 metres (true width of 3.40 metres). This intersection provides an invaluable structural guide to the Company's exploration for additional high-grade silver-gold intercepts.

The Company's drilling has so far encountered significant silver-gold values on a number of distinct structures over a distance of approximately five kilometres along a northwest-southeast trend.

A summary of the third quarter drilling 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-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	Lost hole						
BDD-N-14	799.14	799.45	0.31	0.24	99	0.30	Villa Vein (Footwall)
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 (Not reached)
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 (Not reached)
BDD-N-20	No significant values						Naranjillo Vein (Not reached)
BDD-N-21	524.03	526.39	2.36	1.18	20	0.39	Naranjillo Vein (Not reached)
BDD-N-21	763.03	763.28	0.25	0.11	1,915	0.06	Zone East of Villa 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
BDD-N-24	693.66	698.54	4.88	2.8	43	0.19	Villa Vein (Footwall)
BDD-N-25	No significant values						
BDD-N-26	615.54	618.34	2.8	1.6	49	0.21	Villa Vein (Hangingwall)

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Ag (g/t)	Au (g/t)	Vein
BDD-N-27	No significant values						
BDD-N-28	584.62	586.5	1.88	1.08	633	5.41	Villa Vein (Hangingwall)
BDD-N-28	588.21	592.58	4.37	2.51	131	2.18	Villa Vein (Footwall)

Continued drilling in the fourth quarter with six additional holes completed for a total of 4,969 metres drilled. Drill holes BDD-N-29 and BDD-N-34 explored for new veins to the west of the Villa vein system without significant results. Holes BDD-N-32 and BDD-N-35 explored the San Diego vein system, but did not encounter significant values on the veins. BDD-N-30 explored the Villa vein system to the south of the high-grade BDD-N-23 intercept.

Drilling in the fourth quarter assisted Plata in identifying several post-mineral fault offsets of the Villa veins. The first displacement is along a flat fault that cuts the Villa vein a short distance above the high-grade intercepts in BDD-N-10 and BDD-N-23. A second fault has dropped the entire vein system down immediately to the south of the high-grade intercepts in BDD-N-12. As a result, it is now interpreted that these fault displacements prevented drill holes BDD-N-16, 19, 20 and 21 from intercepting the Villa vein system. After interpretation of the displacements, the Company continued to drill targeting the displaced Villa vein system with hole BDD-N-33. The results of this hole are interpreted to have been successful and the Company believes it has located the Villa vein system in so doing setting the stage for the next phase of drilling in 2013.

A summary of the fourth quarter drilling 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-29	No significant values						Zone West of Villa Vein
BDD-N-30	680.04	686.66	6.62	1.88	29	0.08	
BDD-N-31	Lost hole						
BDD-N-32	No significant values						San Diego Vein System
BDD-N-33	747.72	751.40	3.68	2.58	9	0.08	Villa Vein (Hangingwall)
BDD-N-33	820.56	824.55	3.99	2.79	14	0.02	Villa Vein
BDD-N-33	857.65	860.59	2.94	2.06	8	0.08	Naranjillo Vein (Footwall)
BDD-N-34	No significant values						Zone West of Villa Vein
BDD-N-35	No significant values						San Diego Vein System

Naranjillo – 2012 in Summary

In 2012 the Company completed 23,054 metres of drilling on its 100% owned Naranjillo project which has discovered a blind, high-grade epithermal silver-gold vein system. By the end of the year, Plata had interpreted the vein orientations as well as several post mineral fault displacements of those veins. With the geological guidance from the drilling in 2012, the Company intends to continue its drill-hole exploration of the Naranjillo discovery.

EXPLORATION DEVELOPMENTS SUBSEQUENT TO DECEMBER 31, 2012

Naranjillo Property

In February 2013, the Company commenced the next phase of the drill program based on its interpretation of the information obtained from Phase Three. The Company expects to finish this phase of drilling, receive all assays and complete interpretation and analysis of the results in the second quarter. At this stage, the Company plans to continue drilling the Naranjillo property where exploration will be focused on establishing continuity along strike of the initial high-grade discovery and continue to projected intersections to the south between the Villa vein system and several NW-striking structures mapped on the surface.

Vaquerias Property

In late January 2013, the Company commenced diamond core drilling on its Vaquerias Property, located between the Zacatecas and Guanajuato silver-gold district in Mexico. In the first quarter there were 2,344 metres drilled. The Company expects to finish the initial phase of drilling, receive all assays and complete interpretation and analysis of the results in the second quarter. These results will orient a possible follow-up drill program.

Palo Alto Property

As the project falls within a Protected Natural Area and requires a submission of an EIA and state permission to drill Plata had applied for this permission. At the end of March 2013, the governing federal agency, SEMARNAT (Secretaria de Medio Ambiente y Recursos Naturales) informed Plata of its decision to deny the permission. The Company believes that the legal basis for the denial is faulty and plans to pursue a legal challenge which it believes will be ultimately successful.

REVIEW BY QUALIFIED PERSON, QUALITY CONTROL AND REPORTS

The technical information contained in this document 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.

The technical information discussed in this section "Phase Two Exploration Program" has been reviewed, verified and compiled by David S. Dunn, P.Geo., a qualified person as defined by National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101").

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 Act Labs 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.

CORPORATE DEVELOPMENTS IN THE YEAR

Appointment of Officers and Board of Directors

On February 22, 2012, Gordon Jang resigned as Chief Financial Officer ("CFO") of Plata. On the same date, Margaret Brodie was appointed as CFO. Ms. Brodie is a Chartered Accountant with a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Canadian Institute of Chartered Accountants. Ms. Brodie spent almost ten years with KPMG of which she spent six years working for KPMG in London, England where she worked with FTSE 15 companies including BHP Billiton plc and Diageo plc as well as participated in a number of AIM listings for resource companies and publications in the natural resource sector. In June 2010, Ms. Brodie was appointed Chief Financial Officer and Corporate Secretary of Riva Gold Corporation (TSX-V: RIV).

On March 2, 2012, Robert Blakestad was appointed as a director of Plata. Mr. Blakestad was Senior Vice President, Exploration and Chief Geologist for Golden Minerals Company from March 2009 until his retirement on February 29, 2012. He served as Vice President, Exploration of Apex Silver Mines Limited from November 2004 to March 2009. Prior to joining Apex Silver Mines Limited, Mr. Blakestad served as Chief Executive Officer of International Taurus Resources from May 1998 until November 2004. He was Vice President-Exploration for Amax Gold from 1996 to 1998 and Exploration Manager for Cyprus Amax Minerals Company from 1990 until 1996. He held various positions at Homestake Mining Company from 1979 until 1990, beginning as a Senior Geologist and rising to the position of Manager, U.S. Reconnaissance. Mr. Blakestad holds a B.S. in Mining Engineering from the New Mexico Institute of Mining and Technology and an M.S. in Geology from the University of Colorado. He is a member of the American Institute of Mining, Metallurgical and Petroleum Engineers and of the Society of Economic Geologists. He holds professional certifications from the State of Washington and the Province of Nova Scotia.

Issuance of Stock Options

On March 1, 2012 the directors of the Company approved the stock option plan. Subsequently, on March 22, 2012, the Company issued options to directors (225,000), officers (450,000), employees (180,000) and consultants (330,000), all of which will be exercisable at $0.50 per Share for 5 years from the date of grant of such options, pursuant to the terms of the stock option plan.

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 were to be used primarily to execute and support Phase Three on its Naranjillo Property and also 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 Venture Exchange ("TSX-V") Trading

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

CORPORATE DEVELOPMENTS SUBSEQUENT TO DECEMBER 31, 2012

Financing

On February 12, 2013, Plata completed a private placement of 8,245,000 units at $0.40 per unit for gross proceeds of $3,298,000. Each unit comprises a common share and one-half of one common share purchase warrant. Each full warrant is exercisable into one common share of the Company at an exercise price of $0.65 per common share for a period of two years expiring on February 12, 2015.

The Company intends to use the net proceeds of the Offering for continued drilling on its Naranjillo property where exploration will be focused on establishing continuity along strike of the initial high-grade discovery. Net proceeds will also be used to commence a first phase drill program at the Company's Vaquerias and Palo Alto properties. Vaquerias contains a historical shallow silver mine, on a major structural target, that was abandoned during the Mexican revolution with old workings exhibiting samples of up to 1,340 g/t silver[1]. Initial drilling at Palo Alto will be focused on exploring potential structures that have been identified through mapping and surface sampling.

In connection with the private placement, the underwriter received a 5.5% cash commission and broker warrants equal to 3.0% of the units issued. Each broker warrant is exercisable into one common share of the Company at an exercise price of $0.65 per common share for a period of two years expiring on February 12, 2015.

OUTLOOK

The Company's primary focus for 2013 intends to be to continue drilling the Naranjillo Property where exploration will be focused on establishing continuity along strike of the initial high-grade discovery. In addition, the Company plans to obtain results from the drill program initiated thus far on Vaquerias and evaluate whether there continues to be a major structural target under the historical shallow silver mine.

As the Mexican government has recently denied the Company's initial application for a permit to drill at the Palo Alto Property, the Company intends to rigorously appeal and submit another application. Resolution is expected later in 2013 and assuming a favorable outcome, then the Company intends to carry out an initial drill program focused on exploring potential structures that have been identified through mapping and surface sampling.

The two other properties to which the Company either holds title to or that are pending formal title (La Joya, and Los Agustinos) may have exploration programs initiated in 2013. 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 financing completed in February 2013 and exercise of warrants should be sufficient to meet any obligations as they become due in the coming year.

[1] Samples from old workings are taken from 1983 Mexican Government Vaquerias Sampling and Report. These results have not been verified by Plata Latina or a Qualified Person.

FINANCIAL REVIEW AND RESULTS OF OPERATIONS

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

	December 31, 2012	December 31, 2011
Expenses:		
Salaries and benefits	$ 306,352	$ 354,103
Share-based payments	221,887	-
Professional services	172,546	113,044
Exploration	66,343	307,602
Office and administration	77,735	65,235
Rent	70,360	44,803
Investor relations	55,367	11,712
Fiscal and advisory services	14,473	-
Filing and regulatory	48,562	816
Travel	35,358	5,345
Depreciation	4,225	6,707
Results from operations	(1,073,208)	(909,367)
Interest income	(17,388)	-
Finance costs	2,177	2,818
Foreign exchange loss	9,471	5,015
Net loss for the period	**(1,067,468)**	**(917,200)**
Other comprehensive (income) loss:		
Foreign currency translation differences	(87,965)	74,612
Comprehensive loss for the period	**$ (979,503)**	**$ (991,812)**
Basic and diluted net loss per share	**$ (0.025)**	**$ (0.032)**
Weighted average number of shares outstanding	**42,035,507**	**28,476,945**

The year ended December 31, 2012 compared to the year ended December 31, 2011

For the year ended December 31, 2012, the Company incurred a $1,067,468 net loss before other comprehensive income ($0.025 loss per share), compared to a $917,200 net loss ($0.032 loss per share) for the year ended December 31, 2011. The largest portion of this difference is the $221,887 attributable to the fair value associated with the April 2012 option grant recognized as share-based payments in 2012. The remaining increase in costs related to Plata's increased corporate activity in support of the exploration programs as well as requirements as a TSX-V listed entity resulting in increased costs for professional services of $59,502, filing and regulatory expenses of $47,746, and investor relations expenses of $43,655.

While spend increased in 2012 as detailed above, the increase was offset by a decrease in exploration expenses (reduction of $241,259) given that in 2012 the majority of the exploration costs incurred qualified for capitalization and were not expensed. In addition, $155,442 of the President's salary was capitalized to exploration and evaluation expenditures, and therefore, was not included in salaries and benefits expense for the year ended December 31, 2012. This resulted in salaries and benefits expense decreasing by $47,751 to $306,352.

FOURTH QUARTER 2012

The Company incurred a loss of $190,539 in the three months ended December 31, 2012 (net loss per share of $0.01) as compared to a loss of $348,757 in the three months ended December 31, 2011 (net loss per share of $0.01). The most significant costs incurred were in relation to professional services of $106,491 in association the accrual of the annual audit fee and legal fees as well as filing and regulatory fees of $40,000. Overall the costs were lower in 2012 given that in 2011 the Company was preparing for the Offering with subsequent listing on the TSX-V and incurred significant exploration costs which did not qualify for capitalization.

In the three months ended December 31, 2012, the Company used $952,711 of cash and cash equivalents as compared to $740,159 in the three months ended December 31, 2011. In addition to the costs described in the above, the most significant cash outflow related to the capitalized exploration and evaluation expenditures of $812,386 in the fourth quarter of 2012 as compared to $344,798 in same period in 2011.

PROJECT COSTS CAPITALIZED

As at December 31, 2012, the carrying value of exploration and evaluation assets was $4,210,435 which increased by $3,410,690 from $799,745 as at December 31, 2011 as follows:

	Naranjillo Project	**Vaquerias Project**	**Palo Alto Project**	**Total**
Balance, start of year	$ 799,745	$ -	$ -	$ 799,745
Field work phase:				
Contractor and general labour	-	8,665	10,881	19,546
Travel, food and accommodations	5,702	3,889	1,277	10,868
Camp costs, supplies and other	235	1,336	280	1,851
Vehicles and related costs	1,399	930	755	3,084
Drilling phase:				
Assaying	170,208	-	-	170,208
Contract drilling	2,541,246	-	-	2,541,246
Contractor and general labour	195,409	-	-	195,409
Travel, food and accommodations	23,492	-	-	23,492
Camp costs, supplies and other	61,739	-	-	61,739
Vehicles and related costs	15,510	-	-	15,510
Equipment rentals	7,706	-	-	7,706
Other:				
Claims, taxes and acquisitions costs	16,353	30,245	2,829	49,427
Salaries, benefits and share-based payments	184,875	16,211	6,418	207,504
Legal	4,322	6,605	3,860	14,787
Depreciation	27,550	-	-	27,550
Access rights		5,944	-	5,944
Environmental	5,423	3,162	8,597	17,182
Foreign exchange movements	37,637	-	-	37,637
Subtotal additions	**3,298,806**	**76,987**	**34,897**	**3,410,690**
Balance, end of year	**$ 4,098,551**	**$ 76,987**	**$ 34,897**	**$ 4,210,435**

Naranjillo Property

During the year ended December 31, 2012, the Company capitalized $3,298,806 of expenditures to its Naranjillo Property. As noted in the section 'Year in Review', during the year the Company completed significant drill programs with its Phase Two (commenced fourth quarter of 2011) and an expanded Phase Three.

Drilling was the main cost in relation to Phases Two and Three with the costs in aggregate of $2,541,246 for 23,054 metres drilled averaging $110 per metre or $105,885 per hole (including the impact of lost holes). The use of the drills for Phases Two and Three resulted in connected costs incurred including most significantly the costs associated with local contractors and general labour ($195,409), assaying of the drill samples ($170,208), and the impact of salaries, benefits and share-based payments ($184,875).

Foreign exchange movements represent the non-cash impact of the retranslation of Plaminco's December 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

Commencing in the second quarter of 2012, the exploration and evaluation costs attributable to Vaquerias and Palo Alto eligible for capitalization under the Company's accounting policy were no longer expensed. Prior to the second quarter of 2012 all costs associated with these two properties were expensed as incurred. The Vaquerias and Palo Alto properties had costs capitalized of $76,987 and $34,897, respectively. The costs largely related to field work necessary in preparation for a drill program, the bi-annual land tax payments and costs associated with procedures and permits prior to the commencement of drilling.

EXPLORATION EXPENSES

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

		December 31, 2012		December 31, 2011
Assaying	$	15,717	$	16,371
Contract drilling		-		68,694
Contractor and general labour		8,574		93,210
Travel, food and accommodations		1,498		35,995
Camp costs, supplies and other		630		9,877
Vehicles and related costs		488		8,662
Environmental		3,273		9,625
Survey work		-		15,834
Claims and taxes		27,262		49,334
Salaries and benefits		4,079		-
Legal		4,822		-
Exploration	**$**	**66,343**	**$**	**307,602**

As noted above under the sections 'Year in Review' and 'Project Costs Capitalized' the primary focus of Plata has been on the Naranjillo Property where the exploration and evaluation costs are being capitalized. In addition as commenced in the second quarter of 2012, the costs associated with Vaquerias and Palo Alto are capitalized, further reducing the properties where exploration costs are being expensed. The exploration expenses incurred in the year relate to most significantly to the on-going requirements associated with maintaining the Los Agustinos and La Joya properties.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2012, the Company had cash and cash equivalents of $952,491 (December 31, 2011 – $1,172,112) and working capital of $1,040,665 (December 31, 2011 – $1,107,942). Cash and working capital decreased $219,621 and $67,277, respectively, from December 31, 2011 to December 31, 2012.

Operating activities for the year ended December 31, 2012 used cash in the amount of $915,478 compared to the use of cash of $883,270 in fiscal 2011. While the use of cash appears to be relatively consistent with the prior year, in 2012 both Vaquerias and Palo Alto commenced capitalization with the associated exploration costs included in investing activities rather than operating cashflows. In addition, as described under 'Results from Operations' Plata has increased its corporate activity to support the exploration programs as well as increased spend associated with the listing of the company and requirements as a TSX-V listed entity.

Net cash inflows from financing activities were generated in the first half of the year where funds were received from the Offering of $3,450,000 along with associated share issue costs of $445,320 (of which $333,936 were attributed to the financing and $111,384 were expensed), and the exercise of warrants of $1,333,950. In addition, $85,590 was received in relation to the re-pricing 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 year ended December 31, 2012 used cash of $3,821,816 compared with $989,723 in fiscal 2011. The difference in cash used primarily relates to the costs incurred in Phases Two and Three on the Naranjillo Property using $3,321,954 over the twelve month period to December 31, 2012. In support of the exploration programs was the purchase of property, plant and equipment in the year of $42,471. Associated with the activities in Mexico is the long-term receivable of refundable taxes which increased by $457,391 in the year ended December 31, 2012.

Based on the operating and capital budget, the Company believes the current cash position along with the proceeds received from the Offering and exercise of warrants should be sufficient 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 its 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 December 31, 2012, the Company's contractual obligations were as follows:

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Operating leases obligations and other commitments	$ 89,600	$ 83,100	$ 57,800	$ 27,000	$ 257,500
Accounts payable and accrued liabilities	65,669	-	-	-	65,669
	$ 155,269	$ 83,100	$ 57,800	$ 27,000	$ 323,169

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The Company was incorporated on April 1, 2010 and the quarterly information is available from April 1, 2010 to December 31, 2012.

	Net loss	Loss per share
Q4 2012	$ (190,539)	$ (0.01)
Q3 2012	(268,384)	(0.01)
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)

Factors that can cause fluctuations in the Company's quarterly results include: the timing of stock option grants, exploration costs expensed, corporate activity to support the exploration programs and foreign exchange gains or losses related to the Company's holding of 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 April 15, 2013, the Company had 56,202,826 common shares issued and outstanding and 4,369,850 share purchase warrants exercisable until February 12, 2015 at a price of $0.65. At April 15, 2013, 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 year ended December 31, 2012, the Company was charged $413,384 (December 31, 2011 – $275,051) and charged out $1,473 (December 31, 2011 – $nil) in connection with these arrangements.

At December 31, 2012, accounts receivables includes a balance due from a related party of $1,126 (December 31, 2011 – $nil) and there is an amount due to a related company of $97 (December 31, 2011 – $7,143). Amounts are due on demand, unsecured, and have no terms or repayment.

At December 31, 2012, there was a balance of $31,471 (December 31, 2011 – $32,454) of prepaid expenses paid to the management company.

Compensation of directors and key management personnel

Director and key management personnel compensation comprised:

		December 31, 2012		December 31, 2011
Salaries	$	314,774	$	288,721
Non-cash benefits		13,750		10,069
Share-based payments		161,217		-
Total	$	489,741	$	298,790

Directors and key management personnel of the Company control 72 percent (December 31, 2011 – 72 percent) of the voting shares of the Company, either director or through entities over which they have control. The amounts disclosed in the table are the amounts recognized as an expense during the reporting period, other than $155,442 of the President's salary capitalized to exploration and evaluation expenditures for the year ended December 31, 2012 (December 31, 2011 – $25,571).

CRITICAL ACCOUNTING ESTIMATES

The preparation of the audited consolidated financial statements 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.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

a) Carrying value of exploration and evaluation expenditures

The carrying values and assessment of impairment of exploration and evaluation expenditures is based on costs incurred and management's estimate of net recoverable value. Estimates may not necessarily reflect actual recoverable value as this will be dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to achieve commercial production.

b) Options and warrants

The fair value of options and warrants is determined on the grant date. In order to compute the fair value, the Company uses the Black-Scholes option pricing model which requires management to make certain estimates, judgement, and assumptions in relation to the expected life, expected volatility, expected dividend yield and the risk-free interest rate, as well as the number of options or warrants expected to be exercised.

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*. No substantive changes are expected to arise 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*. No substantive changes are expected to arise 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. No substantive changes are expected to arise from this standard on the Company's 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. No substantive changes are expected to arise from this standard on the Company's financial reporting.

- IAS 1, *Presentation of Financial Statements* amendment, issued by the IASB in June 2011, requires an entity to group items presented in the Statement of Comprehensive Income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012, with earlier adoption permitted. No substantive changes are expected to arise from this standard on the Company's financial reporting.

FINANCIAL INSTRUMENTS

The Company's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

Category	Measurement		December 31, 2012		December 31, 2011
Cash and cash equivalents	Loans and receivables	$	952,491	$	1,172,112
Accounts receivable	Loans and receivables	$	47,065	$	19,194
Accounts payable and accrued liabilities	Other financial liabilities	$	65,669	$	229,256

The carrying values of the financial instruments in the table above approximate their fair values as a result of their short-term nature.

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 December 31, 2012, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars ("US$"):

		December 31, 2012		**December 31, 2011**
Cash	US$	22,416	US$	226,096
Accounts receivables		-		1,095
Accounts payable and accrued liabilities		(11,335)		(100,274)
	US$	11,081	US$	126,917

A 10% change of the Canadian dollar against the US dollar at December 31, 2012 would have increased or decreased net loss by $1,102 (December 31, 2011 – $12,907) and would have increased or decreased the comprehensive loss by $7,087 (December 31, 2011 – $nil). A 10% change of the Canadian dollar against the Mexican peso at December 31, 2012 would have increased or decreased the comprehensive loss by $50,166 (December 31, 2011 – $41,271). 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 and cash equivalents.

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 accounts receivables and long-term refundable tax. Credit risk exposure on bank accounts and short-term investments is limited through maintaining the Company's balances with high-credit quality financial institutions and assessing institutional exposure. Long-term refundable tax represents value added tax ("IVA") receivables generated on the purchase of supplies and services, which are refundable from the Mexican government.

The carrying amount of financial assets and long-term refundable tax represents the maximum credit exposure.

Fair value

The Company's financial instruments consist of cash and cash equivalents, accounts 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

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 and cash equivalents. No changes were made in the objectives, policies or procedures during the period ended December 31, 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

The Company has a limited operating history which makes it difficult for an investor to judge its prospects.

The Company has a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. You should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

The Company's liquidity and capital resources are uncertain.

For the year ended December 31, 2012, the Company had a comprehensive loss of $979,503 and working capital of $1,040,665. The Company will need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. The Company has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's outstanding Shares. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

The Company requires substantial funds merely to determine whether commercial mineral deposits exist on its mineral properties.

Any potential development and production of the Company's exploration properties depends upon the results of exploration programs and/or feasibility studies and the recommendations of duly qualified engineers and geologists. Such programs require substantial additional funds. Any decision to develop the Company's properties in the future is anticipated to involve consideration and evaluation of several significant factors including, but not limited to:

- costs of bringing a property into production, including exploration work, preparation of production feasibility studies, and construction of production facilities;
- availability and costs of financing;
- ongoing costs of production;

- market prices for the minerals to be produced;
- environmental compliance regulations and restraints; and
- political climate and/or governmental regulation and control.

The Company will require external financing or may need to enter into strategic alliances or joint ventures to develop its mineral properties.

The exploration and development of the Company's mineral properties depends upon the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets for precious metals may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone any development plans, forfeit rights in some or all of its properties or joint ventures or reduce or terminate some or all of its operations.

Downward fluctuations in metal prices may severely reduce the value of the Company.

The Company's future profitability will depend upon the world market prices of the metals for which it is exploring. Prices fluctuate widely and are affected by numerous factors beyond the Company's control. The prices of metals are influenced by factors including:

- industrial and retail supply and demand;
- exchange rates;
- expectations with respect to inflation rates;
- interest rates;
- changes in global economies;
- confidence in the global monetary system;
- forward sales of metals by producers and speculators; and
- other global or regional political, social or economic events.

The supply of metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

Title to the Company's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.

The Company cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. The Company has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

The Company is an exploration stage company, and there is no assurance that any resources or a commercially viable deposit or "reserve" exists on any properties for which the Company has or might obtain an interest.

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Mineral exploration and development activities are speculative in nature.

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

The Company's activities are subject to environmental laws and regulations that may increase the Company's costs of doing business or restrict its operations.

The Company's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The operations of the Company including exploration and any development activities or commencement of production on its properties, require permits from various federal, state, provincial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. To the extent that such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company in Mexico and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

The Company's properties are located in Mexico and the Palo Alto and Los Agustinos Claims are located within a Protected National Area in Mexico and as a result the Company may be subject to various levels of political, economic, legal and other risks.

In the past, Mexico has been subject to political instability, changes and uncertainties, which have resulted in changes to existing governmental regulations affecting mineral exploration and mining activities. Mexico's status as a developing country may make it more difficult for us to do business or obtain any required financing. The Company's properties are subject to a variety of governmental regulations governing waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Mexican regulators have broad authority to shut down and/or levy fines against projects that do not comply with regulations or standards.

In addition, the Palo Alto and Los Agustinos claims fall within a Protected Natural Area and require a submission of an EIA and state permission to drill. The EIA is near completion and the Company expects to receive permission in 2013.

The effect of these factors and uncertainties cannot be accurately predicted and could have an adverse effect on our business and financial condition. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned activities. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of operations or material fines, penalties or other liabilities.

The Company will be subject to operating hazards and risks which may adversely affect the Company's financial condition.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's operations will be subject to all the hazards and risks normally incidental to exploration and development, all of which could result in work stoppages, damage to property and possible environmental damage. The risks and hazards include:

- environmental hazards;
- industrial accidents;
- metallurgical and other processing problems;
- unusual or unexpected rock formations;
- structural cave-ins or slides;
- flooding;
- fires;
- metal losses; and
- periodic interruptions due to inclement or hazardous weather conditions.

The Company's exploration and any development of production may be further hampered by mining, heritage and environmental legislation, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies.

The Company's insurance does not cover all of its potential losses, liabilities and damage related to its business.

Exploration, development and production operations on mineral properties involve numerous risks, including:

- unexpected or unusual geological operating conditions;
- rock bursts, cave-ins, ground or slope failures;
- fires, floods, earthquakes and other environmental occurrences;
- political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage;
- delays in mining caused by industrial accidents or labour disputes;
- changes in regulatory environment;
- monetary losses; and
- possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Competition may hamper the Company's ability to acquire attractive mineral properties, which may have an adverse impact on the Company's operations.

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire attractive mineral properties, including mineral properties adjacent to the Company's existing mineral properties if such acquisition is warranted by the results of exploration of the Company's existing mineral properties, on terms it considers acceptable. Unless the Company stakes or acquires an interest in adjacent ground, any potential exploitation of mineralization associated with anomalies found near the edges of the Company's existing mineral properties may be compromised. The Company also competes with other companies for the recruitment and retention of qualified employees and other personnel.

Insofar as certain directors and officers of the Company hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these directors and officers to the Company and to such other mineral resource companies.

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Certain directors and officers of the Company also serve as directors and officers of other active companies and have other business interests.

As disclosed elsewhere in this Prospectus, certain directors and officers of the Company also serve as directors and officers of other active companies and have other business interests. The directors and officers of the Company may become officers or directors of further companies or become involved in other business interests in the future. As the directors and officers of the Company focus some of their time on other companies or interests, this may have a material adverse effect on the success and development of the Company.

The Company currently relies on certain key individuals and the loss of one of these certain key individuals could have an adverse effect on the Company.

The Company is dependent on the efforts and commitments of its directors and officers, in particular, Richard Warke, Director, Gilmour Clausen, Chairman and Director, and Michael Clarke, President, Chief Executive Officer and Director. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company. There is no assurance that the Company will be able to replace them, if at all.

The Company does not maintain key man insurance to compensate the Company for the loss of certain key individuals.

The Company does not have key man insurance in place in respect of any of its directors or officers.

The Company may experience difficulty attracting and retaining qualified management to meet the needs of its anticipated growth, and the failure to manage the Company's growth effectively could have a material adverse effect on its business and financial condition.

The Company's prospects depend in part on the ability of its executive officers and senior management to operate effectively, both independently and as a group. To manage its growth, the Company may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors.

Estimates and assumptions used in preparing the Company's financial statements and actual amounts could differ.

Preparation of its financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

There are increased costs and compliance risks as a result of being a public company.

Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in the past few years. The Company anticipates that costs may continue to increase with corporate governance related requirements.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

Commodity price volatility - Silver, gold and other metal prices.

The market price of silver, gold and other metals is volatile and cannot be controlled. There is no assurance that if commercial quantities of silver, gold and other metals are discovered, a profitable market may exist or continue to exist for a production decision to be made or for the ultimate sale of metals. As the Company is not in production, no sensitivity analysis for price changes have been provided or carried out.

Risks linked with industry conditions.

Mineral exploration and development is extremely competitive and involves a high degree of risk. The Company must compete with a number of other companies that have greater technical and financial resources. It involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Most exploration programs do not result in the discovery of significant mineralization and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Commercial viability of exploiting any deposits encountered depends on a number of factors including infrastructure, commodity prices, energy costs, inflation, interest rates, financial market conditions, potential litigation, and availability of qualified labour and governmental regulations, as it relates to prices, taxes, royalties and land use.

Currency fluctuations may affect the costs of doing business.

The Company's mineral properties are currently located in Mexico and costs associated with the Company's continued exploration of its mineral properties are denominated in Mexican Pesos. A depreciation of the Canadian dollars against the Mexican Pesos could increase the Company's cost of doing business. In addition, the U.S. dollar is subject to fluctuation in value in relation to the Canadian dollar. The Company does not utilize hedging programs to mitigate the effect of currency fluctuation.

The common shares are publicly traded, and the common shares may be subject to various factors which may make the share price volatile.

The market price of publicly traded shares is affected by many variables not directly related to the success of the Company. These variables include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, changes in commodity prices, currency exchange fluctuation and the extent of analytical coverage available to investors concerning the business of the Company.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration and development stage companies, has experienced wide fluctuations which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

The Company has no dividend payment policy and does not intend to pay any cash dividends in the foreseeable future.

The Company has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the directors of the Company consider appropriate.

PLATA LATINA MINERALS CORPORATION

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