Plata Latina Minerals Corporation

Management's Discussion & Analysis
For the Year Ended December 31, 2013

INTRODUCTION

This management's discussion and analysis ("MD&A") of Plata Latina Minerals Corporation for the year ended December 31, 2013, takes into account information available up to and including April 23, 2014. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC", 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 consolidated financial statements for the year ended December 31, 2013. This discussion covers the year ended December 31, 2013, 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 and the Vaquerias Property, which information has been based on exploration on the Naranjillo Property and the Vaquerias 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

Plata 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 #555 – 999 Canada Pace, Vancouver, British Columbia, V6C 3E1. 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, the Vaquerias Property and at the date of this MD&A holds the three 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 has discovered a blind, high-grade epithermal silver-gold vein system and is in the process of expanding its focus to the Vaquerias Property as well as 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 (the "Concessions"), totaling 29,555 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.

The mineral exploration concessions were issued by the GDM as follows:

Licence	Hectares	Date received	Licence valid until
La Sibila	4,749	April 20, 2011	April 19, 2061
La Sibila I	2,957	September 23, 2011	September 22, 2061
La Sibila II	3,790	August 26, 2011	August 25, 2061
La Sibila III	18,059	April 10, 2013	April 9, 2063

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 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.

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 gives Plaminco the right to purchase the Vaquerias licence, for US$500,000 over four years with the Vendors retaining a 2% net smelter return (the "Vaquerias Option"). Under the terms of the option, the final option payment is due in December 2014 for US$420,000. In addition, 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 and Tierra. The Sol, Luna and Tierra licenses were issued by the GDM to Plaminco on December 13, 2011, December 8, 2011, and April 13, 2012, respectively (collectively with the Vaquerias Option, the "Vaquerias Property" or "Vaquerias"). Together, all three licenses cover 15,900 hectares and are valid for fifty years following issuance of title.

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].

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 titled 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.

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[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.

Palo Alto Project

The Palo Alto project consists of the Catalina, Catalina II, Catalina III, and Catalina IV licenses. The Catalina, Catalina II and Catalina III licenses were titled and 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 Catalina IV licence is pending issuance by 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.

YEAR IN REVIEW

EXPLORATION IN THE YEAR

In 2013, the Company focused its efforts on the Naranjillo and Vaquerias Properties as described in more detail below. There was limited exploration activity on the other properties during the year.

Naranjillo Property

In February 2013, Plata commenced the Phase Four Exploration Program ("Phase Four") on the 100% owned Naranjillo Property following up from the Phases Two and Three Exploration Programs in 2012 (totalling 23,054 metres) which expanded the presence of a discovery a blind, high-grade epithermal silver-gold vein system. The Phase Four program was based on the interpretation of the results obtained from Phase Three and was focused on establishing continuity along strike of the initial high-grade discovery and to projected intersections to the south between the Villa vein system and several NW-striking structures mapped on the surface.

Phase Four Exploration Program results

On May 2, 2013 Plata announced that it had completed 12 exploration drill holes (of which five holes were d drilled in 2013) on Naranjillo where results continue to indicate the presence of a significant epithermal silver-gold vein system (summary of drill results can be found below). The highest values were found in BDD-N-37, in which the Villa hanging-wall vein averages 1,144 g/t silver and 3.07 g/t gold over 1.76 metres and the main Villa vein averages 338 g/t silver and 1.45 g/t gold over 8.89 metres for a combined average of 397 g/t Ag and 1.44 g/t Au over 12.67 metres.

These drill results from the Villa vein have further clarified the structural setting of the mineralized Villa vein system, and now indicate clearly that the Villa vein system is comprised of a hanging-wall component and a foot-wall component with the principal Villa vein located between these two veins. The additional drilling data also demonstrates that the Villa vein system has been offset by several post-mineral faults and provides an indication of the orientation and magnitude of those offsets. This newly-gained understanding of the Villa vein system as well as its fault offsets provides a guide for the continuing exploration of the Villa vein system toward its projected intersection with the buried extension of the Sibila vein. This presents an attractive potential mineralized system for future exploration targeting on the Villa vein system over a potential strike length of over 500 metres that the Company intends to explore with future drilling.

In addition to exploring toward this area along the Villa vein system, the Company intends to carry out exploration drilling along the Sibila vein, between the previously drilled hole BDD-N-2 (0.37 metres of 440 g/t silver with 3.01 g/t gold), and continuing toward the projected intersection of the Sibila and Villa vein systems, which has a target strike distance of approximately two kilometres.

Drilling on the San Diego vein system, located over two kilometres to the west of the Villa vein discovery, has found new indications of mineralization in BDD-N-32, which encountered a vein 0.17 metres in width that averaged 594 g/t silver and 6.07 g/t gold. In conjunction with previously drilled hole BDD-N-8, these new results confirm that the San Diego system is an attractive target for future exploration.

The Phase Four drilling on Naranjillo has produced significant silver-gold values over a distance of approximately five kilometres. These latest drill results present continuing evidence for the presence of major buried epithermal silver-gold vein district at Naranjillo.

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	Villa Vein
BDD-N-31	Lost hole						
BDD-N-32	654.32	654.49	0.17	0.10	594	6.07	San Diego Vein System
BDD-N-33	747.72	751.40	3.68	2.58	9	0.08	Villa Vein (Hanging-wall)
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 (Foot-wall)
BDD-N-34	No significant values						Zone West of Villa Vein
BDD-N-35	No significant values						San Diego Vein System
BDD-N-36	No significant values - vein faulted off						Villa Vein
BDD-N-37	681.44	694.11	12.67	6.10	397	1.44	Villa Vein (Entire zone)
includes	681.44	683.20	1.76	0.88	1,144	3.07	Villa Vein (Hanging-wall)
includes	685.22	694.11	8.89	3.40	338	1.45	Villa Vein
BDD-N-38	730.69	731.75	1.06	0.81	425	1.69	Villa Vein (Foot-wall)
BDD-N-39	No significant values - vein faulted off						Villa Vein
BDD-N-40	809.02	812.11	3.09	2.25	72	0.31	Villa Vein (Foot-wall)

Phase Four Extension

After receiving the assays from the Phase Four diamond drilling which occurred over the first part of 2013 (reported above), the Company evaluated and analyzed the results to date in preparation for further drilling. The Company commenced an extension to Phase Four ("Phase Four Extension") drilling three holes commencing late June 2013 to focus on establishing continuity along strike of the initial high-grade discovery to projected intersections to the south between the Villa vein system and several NW-striking structures mapped on the surface.

The Phase Four Extension drill results continue to indicate the presence of a significant epithermal silver-gold vein system (summary of drill results can be found below). The highest values were found in BDD-N-43, in which a hanging-wall split of the Villa vein averages 2,590 g/t silver and 5.01 g/t gold over 0.75 metres.

These drill results have extended the strike-length of high-grade silver-gold mineralization on the Villa vein system for an additional distance of almost 300 metres, which now demonstrates a minimum strike length of approximately 500 metres for high-grade silver-gold along the Villa vein system. The Villa vein system remains open both to the north and the south, presenting additional exploration opportunities.

These latest high-grade drilling results come near the intersection of the Villa vein system, the Escondida vein system and the Sibila vein, a structurally complex zone that offers targets for future exploration. Additionally, a distance of almost two kilometres along the Sibila vein separates the high-grade results from BDD-N-43 from an earlier intercept in BDD-N-2 on the Sibila vein (440 g/t Ag, 3.01 g/t Ag over 0.37 metres). This structural combination of the Villa vein system with the Sibila vein adds an additional 2,000 metres to the exploration potential to the south of the most recent high-grade results in BDD-N-43.

Drilling on the Naranjillo property has produced significant silver-gold values over a distance of approximately five kilometres. These latest drill results present continuing evidence for the presence of a major epithermal silver-gold vein district at Naranjillo in the style of other historical Mexican high-grade silver-gold vein districts.

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Ag (g/t)	Au (g/t)	Vein
BDD-N-41	673.57	674.37	0.80	0.45	331	1.17	Villa Vein
BDD-N-42	530.17	530.89	0.72	0.40	1	<0.005	Naranjillo Vein
BDD-N-43	695.72	696.47	0.75	0.40	2,590	5.01	Villa Vein (HW Split)
BDD-N-43	743.59	746.50	2.91	1.50	11	0.14	Villa Vein

After receiving the assays from three diamond drill holes drilled in the third quarter (reported above), the Company has been evaluating and analyzing the results to date as well as performing surface work on the property in preparation of the next phase of exploration.

In 2013 the Company completed 6,441 metres of drilling in eight holes on Naranjillo for a cumulative total to date of 29,526 metres and 38 holes completed (excluding the impact of lost holes). After analysis of the results to date, the Company has identified targets it intends to drill to expand the high-grade epithermal silver-gold vein system discovered at Naranjillo.

Vaquerias Property

The Company has also completed seven diamond core holes for 3,296 metres as part of its first drill program at the Vaquerias Property located between the Zacatecas and Guanajuato silver-gold districts in Mexico, which commenced in January 2013. The holes were drilled at distances of approximately 50 to 300 metres beneath four historical silver mines. Complete analyses from the first seven holes have produced values of up to 727 g/t silver and 0.24 g/t gold over a drilled width of 0.55 metres. The Company is planning the next phase of exploration.

A summary of drill results is as follows:

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Ag (g/t)	Au (g/t)	Vein
BDD-V-1	No significant values						Zone south of Vaquerias Vein
BDD-V-2	No significant values						Zone south of Vaquerias Vein
BDD-V-3	No significant values						Vaquerias Vein
BDD-V-4	168.60	169.15	0.55	0.30	727	0.24	Vaquerias Vein (Foot-wall split)
BDD-V-4	277.55	278.85	1.30	0.75	22	0.02	Vaquerias Vein
BDD-V-5	270.00	274.00	4.00	1.60	65	0.05	Vaquerias Vein
BDD-V-6	461.30	464.75	3.45	1.40	15	0.06	Vaquerias Vein
BDD-V-7	124.09	124.87	0.78	0.70	6	0.01	Vaquerias Vein

Palo Alto Property

As the project falls partially within a Protected Natural Area and requires a submission of an EIA and state permission to drill Plata had applied for this permission. In 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 has appealed the decision and a review by an appointed, independent magistrate is underway. Resolution is expected in 2014, and assuming a favorable outcome, the Company intends to carry out an initial drill program focused on exploring potential structures that have been identified through mapping and surface sampling.

CORPORATE DEVELOPMENTS IN THE YEAR

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 (the "Offering"). 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's intention with the financing was to use the net proceeds of the Offering for continued drilling on its Naranjillo property where exploration is focused on establishing continuity along strike of the initial high-grade discovery as well as a first phase drill program at the Company's Vaquerias and Palo Alto properties.

In connection with the Offering, 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 plans to continue to explore its properties in Mexico and intends to enhance its project portfolio through successful exploration. The Company's primary exploration focus for the coming year continues to be the advancement of the Naranjillo Property including planned exploration work focused on targets identified which surround the initial high-grade discovery. In addition, the Company plans a drill program on Vaquerias to explore along strike the structure under the historical shallow silver mine.

In March 2013 the Mexican government denied the Company's initial application for a permit to drill at the Palo Alto Property. The Company has appealed the decision and a review by an appointed, independent magistrate is underway. Resolution is expected in 2014, and assuming a favorable outcome, the Company intends to carry out an initial drill program focused on exploring potential structures that have been identified through mapping and surface sampling.

La Joya and Los Agustinos may have exploration programs initiated in 2014. The Company continues prospecting and placing exploration licenses on any promising ground of interest. Negotiations for prospective ground will proceed as opportunities arise.

To support these activities, in the short-term the Company is evaluating its options with respect to a securing additional financing whether through a financing or other alternative structure, including a strategic alliance. The Company intends to move forward prudently taking into account the current cash position and working capital.

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'.

		Year ended December 31, 2013		Year ended December 31, 2012
Expenses:				
Salaries and benefits	$	334,583	$	306,352
Office and administration		115,933		77,735
Professional services		86,774		172,546
Rent		81,335		70,360
Share-based payments		68,311		221,887
Investor relations		43,154		55,367
Exploration		28,601		66,343
Filing and regulatory		14,738		48,562
Fiscal and advisory services		11,169		14,473
Travel		7,786		35,358
Depreciation		1,623		4,225
Loss from operations		(794,007)		(1,073,208)
Interest income		20,450		17,388
Foreign exchange loss		(21)		(9,471)
Finance costs		(2,249)		(2,177)
Loss before tax		(775,827)		(1,067,468)
Income tax expense		(6,375)		-
Deferred tax expense		(651,800)		-
Net loss for the year		(1,434,002)		(1,067,468)
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Foreign currency translation differences		244,993		87,965
Comprehensive loss for the year	**$**	**(1,189,009)**	**$**	**(979,503)**
Basic and diluted net loss per share	**$**	**(0.026)**	**$**	**(0.025)**
Weighted average number of shares outstanding		**55,231,497**		**42,035,507**

The year ended December 31, 2013 compared to the year ended December 31, 2012

For the year ended December 31, 2013, the Company incurred a net loss before tax of $775,827 as compared to a $1,067,468 net loss before tax for the year ended December 31, 2012. The largest portion of this difference is the $153,576 attributable to the fair value associated with the April 2012 option grant recognized as share-based payments in 2012 as compared to only $68,611 of this fair value being attributable to 2013. The remaining decrease in costs related to Plata's decreased corporate activity in 2013 reflected in a decrease in professional services fees of $85,772, exploration expenses of $37,742, filing and regulatory fees of $33,824 and travel expense of $27,572. While spend overall decreased in 2013 as detailed above, the decrease was offset by an increase in office and administration expenses of $38,198 and salaries and benefits expense of $28,231. The salaries and benefits expense was impacted by the sale of a related party that shared the cost of the Chief Financial Officer whose salary is now wholly paid by the Company. In addition, $154,520 of the President's salary was capitalized to exploration and evaluation expenditures ($155,442 in the year ended December 31, 2012), and therefore, was not included in salaries and benefits expense for the year ended December 31, 2013.

Income Taxes

During the year ended December 31, 2013, the Company recorded a non-cash deferred tax expense of $651,800 (December 31, 2012: nil) related to the Naranjillo, Vaquerias and Palo Alto exploration projects. Of this deferred tax expense, $423,300 related to the Special Mining Duty and $228,500 related to the original of temporary differences. The deferred tax expense and associated deferred tax liability of $651,800 are non-cash items and will only be realized once the Company's exploration properties are developed and in production. In future if the exploration properties are anticipated to be brought into production, the currently unrecognized deferred tax assets totalling $4,359,000 (before tax effect) may be used to offset the deferred tax liabilities.

As of December 31, 2013, the Company has Canadian loss carry forwards of $2,461,000 (2012 – $1,584,000) and Mexican loss carry forwards of $920,000 (2012 – $657,000) available to reduce future years' income tax for tax purposes. The tax loss carry forwards expire at various times between 2015 and 2033.

Income Tax – New Tax Regime Effective January 1, 2014

In December 2013, the Mexican President passed a bill that, in part, adversely affects mining companies operating in Mexico including an increase to the effective tax rate applicable to the Company's Mexican operations. The law is effective January 1, 2014 and increases the future corporate income tax rate to 30%, creates a 10% withholding tax on dividends paid to non-resident shareholders (subject to any reduction by Income Tax Treaty) and creates a new Extraordinary Mining Duty equal to 0.5% of gross revenues from the sale of gold, silver, and platinum. In addition, the law requires taxpayers with mining concessions to pay a new 7.5% Special Mining Duty. The Extraordinary Mining Duty and Special Mining Duty will be tax deductible for income tax purposes. The Special Mining Duty will generally be applicable to earnings before income tax, depreciation, depletion, amortization, and interest. In calculating the Special Mining Duty there will be no deductions related to development type costs but exploration and prospecting costs are deductible when incurred.

As a result of the Special Mining Duty becoming enacted in the fourth quarter of 2013, the Company recognized a non-cash deferred tax charge of $423,300. This deferred tax liability will be drawn down to $nil as a reduction of tax expense over the life of mine as the mine and its related assets are depleted or depreciated. In future, fluctuations of the deferred tax liability related to the Mexican Special Mining Duty will occur due to the foreign currency difference arising from the translation of the non-monetary assets held in Mexican Pesos.

Under the new tax regime, mining concession holders that fail to develop mining works in accordance with the Mining Law, during a consecutive two year period within the first eleven years of the term of the concession, will pay on a semi-annual basis an additional mining fee equivalent to 50% to to the maximum current mining duty. If the failure to carry out works remains unchanged, starting on the twelfth year, the additional fee will be doubled. There is no expected impact of this change on the Company in 2014, but future years may be affected.

An additional component of the Mexican tax reform also includes a 10% dividend tax, to be withheld on all dividends paid to foreign residents of Mexico. With the existing Canadian-Mexico tax treaties, this dividend tax rate will be reduced to 5%. Prior to tax reform, there was no dividend withholding tax on dividends paid from Mexico to Canadian corporations out of tax paid earnings.

FOURTH QUARTER 2013

The Company incurred a loss of $850,965 in the three months ended December 31, 2013 (net loss per share of $0.015) as compared to a loss of $190,539 in the three months ended December 31, 2012 (net loss per share of $0.01). In the fourth quarter of 2013, Plata recorded a deferred tax expense of $651,800 (referred to above) and excluding this expense the loss for the quarter was $199,165 as compared to $190,539 in the three months ended December 31, 2012.

In the three months ended December 31, 2013, the Company used $261,849 of cash and cash equivalents as compared to $952,711 in the three months ended December 31, 2012. The most significant cash outflow related to the capitalized exploration and evaluation expenditures of $106,237 in the fourth quarter of 2013 as compared to $812,386 in same period in 2012 along the resulting impact on the Mexican value added tax ("IVA") recoverable. In addition, in the fourth quarter of 2012, the Company had pre-paid for certain costs associated with the February 2013 financing totalling $113,523.

PROJECT COSTS CAPITALIZED

As at December 31, 2013, the carrying value of exploration and evaluation assets was $6,457,866 which increased by $2,247,431 from $4,210,435 as at December 31, 2012 as follows:

	Naranjillo Project	**Vaquerias Project(1)**	**Palo Alto Project(1)**	**Total**
Balance, start of year	$ 4,098,551	$ 76,987	$ 34,897	$ 4,210,435
Field work phase:				
Assaying	-	1,214	-	1,214
Contractor and general labour	-	12,799	6,983	19,782
Travel, food and accommodations	-	2,880	2,900	5,780
Camp costs, supplies and other	-	2,380	385	2,765
Vehicles and related costs	-	1,077	319	1,396
Geophysical surveys	-	-	360	360
Drilling phase:				
Assaying	74,690	63,489	-	138,179
Contract drilling	837,542	397,455	-	1,234,997
Contractor and general labour	99,796	64,821	-	164,617
Travel, food and accommodations	27,987	16,201	-	44,188
Camp costs, supplies and other	29,656	18,784	-	48,440
Vehicles and related costs	14,952	9,168	-	24,120
Equipment rentals	3,662	4,629	-	8,291
Geophysical surveys	1,713	1,034	-	2,747
Other:				
Claims, taxes and acquisitions costs	31,467	51,304	14,524	97,295
Salaries, benefits and share-based payments	142,872	29,455	8,944	181,271
Legal	3,261	7,170	9,424	19,855
Depreciation	25,398	-	-	25,398
Access rights	-	-	-	-
Environmental	2,919	7,987	63	10,969
Foreign exchange movements	210,643	3,470	1,654	215,767
Subtotal additions	1,506,558	695,317	45,556	2,247,431
Balance, end of year	**$** 5,605,109	$ 772,304	$ 80,453	$ 6,457,866

(1) 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.

Naranjillo Property

During the year ended December 31, 2013, the Company capitalized $1,506,558 of expenditures to its Naranjillo Property ($3,298,806 in the year ended December 31, 2012). As noted in the section 'Year in Review', during the year the Company completed a drill programs with 6,441 metres drilled for eight holes averaging 805 metres per hole.

Drilling was the main cost in relation to exploration with the costs in aggregate of $837,542 for 6,441 metres drilled averaging $130 per metre or $104,693 per hole. This is compared to drill costs in 2012 of $2,541,246 for 19,314 metres drilled averaging $132 per metre or $105,885 per hole (including the impact of lost holes). Support costs were incurred associated with the use of the drill in 2013 including most significantly being the costs associated with local contractors and general labour ($99,796), assaying of the drill samples ($74,690), and the impact of salaries, benefits and share-based payments ($142,872).

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.

Vaquerias Property

During the year ended December 31, 2013, the Company capitalized $695,317 of expenditures to its Vaquerias Property ($76,997 in the year ended December 31, 2012). As noted in the section 'Year in Review', during the year the Company commenced and completed an initial drill program with 3,296 metres drilled for seven holes averaging 471 metres per hole.

Drilling was the main cost in relation to exploration with the costs in aggregate of $397,455 for 3,296 metres drilled averaging $121 per metre or $56,779 per hole. There were drill support costs incurred in 2013 including most significantly the costs associated with local contractors and general labour ($64,821), assaying of the drill samples ($63,489), and the impact of salaries, benefits and share-based payments ($29,455). In addition, there were payments made on the Vaquerias option in the year totalling US$30,000 (2012 – US$30,000).

Palo Alto Property

The Palo Alto Property had costs capitalized of $45,556 (2012 - $34,897). The costs largely related to field work necessary in preparation for a drill program, the bi-annual land tax payments and costs associated with the Company's appeal of the Mexican governments' the denial of Plata's initial application for a permit to drill on Palo Alto.

EXPLORATION EXPENSES

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

	December 31, 2013	December 31, 2012
Assaying	$ -	$ 15,717
Contractor and general labour	4,278	8,574
Travel, food and accommodations	3,505	1,498
Camp costs, supplies and other	1,965	630
Vehicles and related costs	364	488
Environmental	-	3,273
Claims and taxes	16,962	27,262
Salaries and benefits	-	4,079
Legal	1,527	4,822
Total	$ 28,601	$ 66,343

As noted above under the sections 'Year in Review' and 'Project Costs Capitalized' the primary focus of Plata has been on Naranjillo and Vaquerias where the exploration and evaluation costs are being capitalized. In addition as commenced in 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, 2013, the Company had cash and cash equivalents of $921,943 (December 31, 2012 – $952,491) and working capital of $1,876,781 (December 31, 2012 – $1,040,665). Cash and working capital decreased $30,548 and increased $836,116, respectively, from December 31, 2012 to December 31, 2013. Amounts receivable as at December 31, 2013 totaled $912,833 (December 31, 2012 - $47,065) and over 99 percent is made up of IVA recoverable to the Company from the Government of Mexico, for which the Company expect a full recovery. The IVA recoverable amount at the end of 2013 was $905,063 as compared to the end of 2012 where the IVA recoverable was $639,729 and classified as a long-term recoverable amount given that the Company did not expect refund within the year.

Operating activities for the year ended December 31, 2013 used cash in the amount of $923,671 compared to the use of cash of $915,478 in fiscal 2012. In 2013, Plata had a decrease in corporate activity as described above.

The primary use of cash in the year ended December 31, 2013 was for the exploration programs on both Naranjillo and Vaquerias. In 2013 there was a total of 9,737 metres drilled on the properties with total expenditures on the properties of $1,966,772 as compared to 19,314 metres drilled on Naranjillo in 2012 resulting in total expenditures on the properties in 2012 of $3,321,954.

The Company's primary source of historic capital has been from the sale of equity and in 2013 there were net cash inflows from financing activities generated from the Offering in February 2013 where funds were received of $3,298,000 along with associated share issue costs of $279,987.

GOING CONCERN

The Company has not generated revenue from operations. At December 31, 2013, the Company had cash and cash equivalents of $921,943, working capital of $1,876,781, a net loss for the year of $1,434,002, and a deficit of $3,952,925. Taking into account the cash and cash equivalents and working capital at December 31, 2013, the Company will require financing in the fourth quarter of 2014 to meet its ongoing requirements, in particular in relation to the Vaquerias property option to purchase the core Vaquerias license whereby US$420,000 is due in December 2014. The Company is in the process of renegotiating the terms of this property option agreement. The Company's current funding sources indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern and is dependent on the Company raising additional financing. Plata has historically raised funds principally through the sale of securities. The Company expects that it will obtain funding through equity financing, debt financing or some other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms. The consolidated financial statements do not give effect to any adjustment which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

CONTRACTUAL OBLIGATIONS

As at December 31, 2013, 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	$ 91,500	$ 181,100	$ 145,200	$ -	$ 417,800
Accounts payable and accrued liabilities	57,107	-	-	-	57,107
	$ 148,607	$ 181,100	$ 145,200	$ -	$ 474,907

In addition to the above, Plata has certain optional mineral property acquisition payments relating to the Vaquerias Option and associated net smelter return.

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The following table is a summary of the Company's results for the eight most recently completed quarters.

	Net loss				Loss per share			
		2013		2012		2013		2012
Q1	$	(235,183)	$	(191,242)	$	(0.01)	$	(0.01)
Q2		(163,994)		(417,303)		(0.01)		(0.01)
Q3		(183,860)		(268,384)		(0.01)		(0.01)
Q4		(850,965)		(190,539)		(0.015)		(0.01)
Total	$	(1,434,002)	$	(1,067,468)	$	(0.026)	$	(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

The Company's authorized capital consists of an unlimited number of common shares without par value. As at April 23, 2014, the following common shares, stock options and warrants are outstanding:

	Number of units	Exercise Price	Expiry date
Common shares	56,202,826		
Stock Options[1]	1,065,000	$0.50	April 11, 2017
Warrants	4,369,850	$0.65	February 12, 2015

[1]The Company's outstanding stock options were issued to directors, officers, consultants, and employees.

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

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, 2013, the Company was charged $474,163 (December 31, 2012 – $413,384) and charged out $nil (December 31, 2012 – $1,473) in connection with these arrangements.

At December 31, 2013, amounts receivable includes a balance due from a related party of $nil (December 31, 2012 – $1,126) and there is an amount due to a related company of $1,345 (December

31, 2012 – $97) included in accounts payable and accrued liabilities. Amounts are due on demand and unsecured.

Long-term recoverable tax and other includes other assets of $143,613 (December 31, 2012 – $12,247) which relate to the Company's share of jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company. At December 31, 2013, there was a balance of $30,912 (December 31, 2013 – $19,223) of prepaid expenses paid to the management company.

Compensation of directors and key management personnel

Director and key management personnel compensation comprised:

		December 31, 2013		December 31, 2012
Salaries	$	349,949	$	314,774
Non-cash benefits		10,002		13,750
Share-based payments		52,064		161,217
Total	$	412,015	$	489,741

Directors and key management personnel of the Company either directly or indirectly have control or voting rights over 54 percent (December 31, 2012 – 72 percent) of the voting shares of the Company, either directly 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 $154,520 of the President's salary capitalized to exploration and evaluation expenditures for the year ended December 31, 2013 (December 31, 2012 – $155,442).

CRITICAL ACCOUNTING ESTIMATES

The preparation of the 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 consolidated 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 recognised 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 IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

Standards issued but not yet effective:

- 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 measured 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 measured at fair value through profit or loss. The IASB has deferred the mandatory effective date for annual periods beginning on or after January 1, 2015 and has left it open pending the finalization of the impairment and classification and measurement requirements.

- IAS 36, *Impairment of Assets* provides for additional disclosures that may be required in the event the Company recognises an impairment loss or the reversal of an impairment loss. IAS 36 is effective for years beginning on or after January 1, 2014.

The Company has not yet assessed the impact of these standards on its 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, 2013		December 31, 2012
Cash and cash equivalents	Loans and receivables	$	921,943	$	952,491
Amounts receivable	Loans and receivables	$	912,833	$	47,065
Long-term recoverable tax	Loans and receivables	$	-	$	639,729
Accounts payable and accrued liabilities	Other financial liabilities	$	57,107	$	65,669

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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, 2013, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars ("US$"):

		December 31, 2013		December 31, 2012
Cash	US$	7,259	US$	22,416
Accounts payable and accrued liabilities		(10,639)		(11,335)
	US$	(3,380)	US$	11,081

A 10% change of the Canadian dollar against the US dollar at December 31, 2012 would have increased or decreased net loss by $359 (December 31, 2012 – $1,102) and would have increased or decreased the comprehensive loss by $2,743 (December 31, 2012 – $7,087). A 10% change of the Canadian dollar against the Mexican peso at December 31, 2013 would have increased or decreased the comprehensive loss by $554,776 (December 31, 2012 – $50,166). 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 (see discussion under heading 'Going Concern').

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 amounts receivable and long-term recoverable 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. IVA recoverable represents value added tax receivables generated on the purchase of supplies and services, which are refundable from the Mexican government. A full recovery is expected by management.

The Company's maximum exposure to credit risk as at December 31, 2013 is the carrying value of its cash, amounts receivable and IVA recoverable.

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.

In assessing the capital structure of the Company, management includes in its assessment the components of shareholders' equity and cash and cash equivalents. 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, 2013.

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 below and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The risks described below are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of the following risks occur, or if other occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lost part of all of their investment.

Risks relating to financing the Company's Business Operations

The Company will require external financing or may need to enter into strategic alliance to develop its mineral property.

As discussed under "Going Concern" earlier in this MD&A, at December 31, 2013 the Company has not generated revenue from operations and has no source of operating income. The Company has not generated revenue from operations. At December 31, 2013, the Company had cash and cash equivalents of $921,943, working capital of $1,876,781, a net loss for the year of $1,434,002, and a deficit of $3,952,925. Taking into account the cash and cash equivalents and working capital at December 31, 2013, the Company will require financing in the fourth quarter of 2014 to meet its ongoing requirements, in particular in relation to the Vaquerias property option to purchase the core Vaquerias license whereby US$420,000 is due in December 2014. The Company is in the process of renegotiating the terms of this property option agreement. The Company's current funding sources indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern and is dependent on the Company raising additional financing. Plata has historically raised funds principally through the sale of securities. The Company expects that it will obtain funding through equity financing, debt financing or some other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms.

In addition to these funding requirements, the Company requires additional financing to enable it to complete its exploration and other goals as described under "Outlook". Should the results of exploration work prove to be positive and further exploration or development work considered merited, the Company expects it will incur net cash outlays until such time as its exploration properties enter into commercial production and generate sufficient revenues to fund its continuing operations, if at all.

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. In addition, the Company may enter into a strategic alliance, sell certain assets or utilize a combination of all of these alternatives. Additional equity financing may cause dilution to Plata's existing shareholders. In addition, the unrestricted resale of shares resulting from the exercise of dilutive securities may have a depressing effect on the market for the Company's common shares. There can be no assurance that financing will be available on acceptable terms, if 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.

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, 2013, the Company had a comprehensive loss of $1,189,009 and working capital of $1,876,781. 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.

Risks Relating to the Company's Business Operations

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 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.

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'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.

In March 2013 the Mexican government denied the Company's initial application for a permit to drill at the Palo Alto Property. The Company has appealed the decision and a review by an appointed, independent magistrate is underway. Resolution is expected in 2014, and there can be no assurance of a favourable outcome.

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 require various permits to enable it to conduct its current and anticipated future operations

The Company's current and anticipated future operations, including further exploration and development activities and commencement of any production from the Company's properties in Mexico require permits from various Mexican authorities. The granting, continuing validity and enforcement of the terms of such permits are, as a practical matter, often subject to the discretion of the applicable governments or government officials. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all, or will continue to be valid. To the extent such permits are delayed or not obtained the Company may be curtailed or prohibited from proceeding with the development, construction or operation of its properties. Failure to comply with applicable laws, regulations and permitting requirements may also result in enforcement actions thereunder including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation or additional equipment, or remedial actions including compensation and civil or criminal fines or penalties.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof could have a material adverse impact on the Company and cause increases in costs and delays or abandonment of new mining projects.

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 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 has no history of developing properties into production

The Company's property is not in commercial production, and the Company has not recorded any revenues from mining operations. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of any properties found to be economically feasible will require permits, financing and the construction and operation of mines, processing plants and related infrastructure. As a result, the Company will be subject to all of the risks associated with establishing new mining operations including: the timing and cost of the construction of mining and processing facilities; the availability and cost of skilled labour and mining equipment; the availability and costs of suitable refining and smelting arrangements; the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; the availability of funds to finance the development and construction activities; the impact of any opposition to the developmental activities from non-governmental, environmental, local or other groups that may delay or prevent development; potential increases in construction or operating costs due to changes in the cost of supplies and materials and changes in foreign exchange rates.

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.

Other Business Risks

Economic and political instability may affect the Company's business.

The volatile global economic environment has created market uncertainty and volatility in recent years. From mid-calendar 2008 until early 2009 there was a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. Similar instability in the market for metal commodities has been experienced since April 2013. These macro-economic events negatively affected the mining and minerals sectors in general, and the Company's market capitalization was significantly reduced during that period. Many industries, including the mining industry, are impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including the ongoing European debt situation, a continued rise in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

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.

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.

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 consolidated financial statements and actual amounts could differ.

Preparation of its consolidated 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 consolidated 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.

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.

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.

Mexican Foreign Investment and Income Tax Laws apply to the Company.

Under the Foreign Investment Law of Mexico, there is presently no limitation on foreign capital participation in mining operations; however, the applicable laws may change in a way which may adversely impact the Company and its ability to repatriate profits. Under Mexican Income Tax Law, dividends paid out of "previously taxed net earnings" are not subject to Mexican taxes. Otherwise, dividends are subject to the Mexican income tax at the corporate level, which presently is 30% over a gross up basis (amount of the dividend times 1.4286), payable by the Mexican company as an advance of its annual income tax. As of January 1, 2014, there is a new withholding tax on dividends paid by a Mexican company to non-Mexican shareholders of 10%. This withholding tax rate may be reduced under the applicable Tax Treaties to Avoid Double Taxation entered by Mexico.

Corporations with their tax residence in Mexico are taxed on their worldwide income, which include all profits from operations, income from investments not relating to the regular business of the corporation and capital gains. The current corporate income tax rate in Mexico is 30%.

Among the most relevant amendments for 2014, Mexican companies are no longer allowed to partially deduct certain expenses such as fringe benefits paid to its employees which in turn are tax exempted for the same employees (e.g. food coupons, pension and retirement funds additional to those provided for under the Mexican Security Law).

The IETU Flat Tax (Impuesto Empresarial a Tasa Unica) which was structured as an alternative minimum tax was repealed as of January 1, 2014. The VAT is an indirect tax levied on the value added to goods and services, and is imposed on corporations that carry out activities within Mexican territory, including (i) the sale or other disposition of property; (ii) the rendering of independent services; (iii) the granting of temporary use of property; or (iv) the importation of goods and services. The standard value added tax rate is 16%.

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.

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.

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.

PLATA LATINA MINERALS CORPORATION

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