ATICO MINING CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED DECEMBER 31, 2011

GENERAL

The following discussion and analysis (the “MD&A”) of the financial condition and results of the operations of Atico Mining Corporation (the “Company” or “Atico”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the year ended December 31, 2011 and the period from incorporation on April 15, 2010 to December 31, 2010, prepared as of April 26, 2012 and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2011 and the period from incorporation on April 15, 2010 to December 31, 2010 and related notes for the corresponding periods. All figures are in Canadian dollars unless otherwise stated.

FORWARD LOOKING INFORMATION

This MD&A may contain “forward looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, ”expect”, ”anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Atico’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The Company was incorporated under the laws of the Yukon Territory on April 15, 2010, continued pursuant to the laws of British Columbia effective October 4, 2011, and its fiscal year end is December 31. The Company is headquartered at Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada.

The Company is engaged in the acquisition, exploration and development of copper and gold projects in Latin America. Currently, the Company has an option to acquire 90% of the issued and outstanding shares of Minera El Roble S.A. (“MINER”) (the “Option Agreement”), the owner of the El Roble Property, a copper-gold mine in Colombia.

The Company completed its initial public offering (“IPO”) in March 2012 by issuing 23,000,000 common shares of the Company at a price of $0.50 per common share for gross proceeds of $11,500,000, including the Agent’s over-allotment option. In conjunction with the IPO, the Company began trading on the TSX Venture Exchange (“TSX-V”) under the symbol “ATY”.

EL ROBLE PROPERTY

Property Agreement

The Company has an option to acquire 90% of the issued and outstanding shares of MINER, pursuant to the terms of the Option Agreement entered into by the Company on January 28, 2011. The El Roble Property, located in the Choco Department of Colombia comprises 8361 hectares and includes an operating underground copper, gold and silver mine. The Company's objective is to discover additional ore deposits on the El Roble Property that would find additional mineralization beyond that currently being mined and justify an upgrade to milling facility.

The Option Agreement calls for the staged payments of US$2,250,000 over two years and a lump-sum payment of US$14,000,000 at the end of the two year option period as follows:

- US$200,000 on January 28, 2011 (paid);
- US$350,000 in six months after the date of execution (July 28, 2011) (paid);
- US$650,000 in twelve months after the date of execution (January 28, 2012, extended to March 13, 2012); (paid);
- US$1,050,000 in eighteen months after the date of execution (July 28, 2012); and
- US$14,000,000 on exercise of option.

The option period can be extended for one year for an additional US$1,200,000.

El Roble Mine

MINER's principal asset is the El Roble operating underground copper and gold mine with nominal capacity of 360 tonnes per day that, over the past twenty-two years, has processed 1,468,871 tonnes of ore at an average grade of 2.6% copper and estimated gold grade of 2.5 g/t. Copper and gold mineralization at the El Roble Property occurs in volcanogenic massive sulfide ("VMS") lenses. Exploration over the past two years has defined a productive contact and an enclosing package of host rocks extending for a distance of 10 km across the El Roble Property. This entire strike length is marked by VMS mineral occurrences. These mineral occurrences will be the focus of the Company's exploration program.

The Company's objective over the remaining term of the Option Agreement is the discovery of new VMS deposits either at the mine or elsewhere within the El Roble Property that would justify the exercise of the El Roble Option and acquisition of MINER. During the option term, the Company is not responsible for mining or for resource development.

Exploration Overview

The Company plans to follow the recommendations for the El Roble Property made in the Technical Report dated February 15, 2012 prepared by Greg Smith, B.Sc. P. Geo. and Demetrius Pohl, Ph.D. AIPG Certified Geologist, each a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The Technical Report recommends that the Company conduct a two phase exploration program on the El Roble Property with an estimated budget for the initial phase of $3,600,469. The second phase of the exploration program is contingent on the success of the initial phase. The Company expects to proceed with and complete the recommended program prior to making a determination on whether or not to exercise the El Roble Option. The Company may extend the El Roble Option period for an additional year beyond the initial 2 year term (to January 2014).

The recommended exploration program consists of surface mapping and sampling, a ground-based and helicopter-borne geophysical program, drilling from underground, and drilling from the surface. Surface sampling and mapping will supplement the considerable work that has already been accomplished by MINER and, in particular, will focus on the effect of both low-angle and high-angle structure in offsetting known VMS deposits and the target horizon. Underground drilling will test for the down-dip lateral fault offsets of known mineralization. A helicopter-borne EM survey followed up by ground gravity surveys and magnetic survey will be used to identify VMS targets along the entire 10 kilometre strike length of prospective ground. A surface-based drill program will initially test five of the best anomalies generated by the geophysics and mapping.

Planned Expenditures

A breakdown of the proposed expenditures by the Company on the El Roble Property for Phase 1 is as follow:

El Roble Recommended Exploration	**Phase 1a** (USD)
Assays	$ 334,587
Drilling	1,402,500
Field costs/logistics	93,984
General and administrative	229,944
Geophysics	202,125
Salaries and benefits	489,097
Total Phase 1a Exploration Program	$ 2,752,237

El Roble Recommended Exploration	**Phase 1b** (USD)
Assays	$ 71,500
Drilling	654,500
Field costs/logistics	23,496
General and administrative	57,486
Geophysics	41,250
Salaries and benefits	-
Total Phase 1b Exploration Program	$ 848,232

Demetrius Pohl, Ph.D. AIPG Certified Geologist, is a Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects, and is responsible for the preparation and verification of the technical information in the MD&A.

SELECTED ANNUAL INFORMATION

	Year ended December 31, 2011	Period from incorporation on April 15, 2010 to December 31, 2010
Financial Results		
Total expenses	$ 619,745	$ 306,739
Net loss	(620,865)	(307,470)
Net loss per share - basic and diluted	(0.05)	(0.26)

	December 31, 2011	December 31, 2010
Financial positions		
Cash	$ 127,141	$ 26,400
Total assets	1,776,424	26,400
Total liabilities	1,218,193	273,870
Shareholder's equity (deficiency)	558,231	(247,740)

RESULTS OF OPERATIONS

The Company has not generated any revenue since its inception from its planned operations and has incurred losses primarily from the expenses related to its IPO and general and administrative expenses.

Year ended December 31, 2011

The Company's net loss totaled $620,865 from the year ended December 31, 2011. Expenses incurred of $619,745 were related to the IPO and listing processes, and establishment of an administrative office and related overheads. Some of the expenses incurred were:

- Professional fees of $114,550 were incurred for legal fees relating to the IPO and listing of the company's common shares.
- Consulting fees of $109,164 were incurred for management consulting.
- Share-based payments of $230,199 were incurred as the fair value of stock options granted during the year to employees, directors and consultants of the Company
- Administrative service fees of $83,400 were incurred pursuant to a management services agreement for providing accounting, office, administration and other support services

Period from incorporation on April 15, 2010 to December 31, 2010

The Company's net loss totaled $307,470 from the period from incorporation on April 15, 2010 to December 31, 2010. Expenses incurred of $306,739 were related the set-up of the Company's operations, and the negotiation and due diligence on the El Roble Option. There were no exploration expenses incurred as the Option Agreement was not signed until January 28, 2011. The expenses incurred were as follows:

- Professional fees of $94,406 were incurred for legal fees relating to the due diligence and negotiation of the Option Agreement.
- Consulting fees of $150,000 were incurred for corporate strategic consulting and management.

- Property investigation costs of $60,389 were incurred for consulting and expenses relating to the preparation of the technical report on the El Roble Property.
- Office and administrative costs of $1,944, and a $731 foreign exchange loss on accounts payable denominated in foreign currency was incurred.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information for the quarters since incorporation up to December 31, 2011, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2011.

Quarter ended	December 31 2011	September 30, 2011	June 30 2011	March 31, 2011
Revenue	Nil	Nil	Nil	Nil
Share-based payments	Nil	17,955	212,244	Nil
Loss for the period	(172,816)	(159,049)	(250,396)	(38,604)
Loss per share - basic and diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)
Weighted average shares outstanding	15,400,000	15,400,000	15,027,778	3,095,000

Quarter ended	December 31 2010	September 30, 2010	June 30 2010
Revenue	Nil	Nil	Nil
Share-based payments	Nil	Nil	Nil
Loss for the period	(177,658)	(118,996)	(10,816)
Loss per share - basic and diluted	$ (0.15)	$ (0.10)	$ (0.01)
Weighted average shares outstanding	1,200,000	1,200,000	1,200,000

The factors that have caused variations in results over the quarters are:

During the quarters ended September 30, and December 31, 2011, activity increased as the Company set up its operations in Colombia, hired exploration staff, and incurred a non-cash expense of stock-based compensation for the stock options granted to officers, directors and employees.

During the quarter ended June 30, 2011, the Company incurred a significant non-cash expense of share-based payment for the stock options granted to officers, directors and employees.

During the quarter ended March 31, 2011, the Company had less expenses as the Option Agreement and corresponding due diligence had been finalized early in the year.

During the quarter ended December 31, 2010, activity with respect to the due diligence and negotiation of the Option Agreement increased, with corresponding increases in expenditures for legal fees, technical studies, and management consulting fees.

During the quarter ended September 30, 2010, the Company incurred property investigation costs related to consultants engaged in the accumulation of information pursuant to the preparation of the Technical Report on the El Roble Property. Management consulting fees were also incurred during this period.

During the period April 15, 2010 to June 30, 2010, the Company incurred minimal expenses related to the incorporation and set-up of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the exploration stage and has not generated any revenue from operations and to date has relied entirely upon the sale, by way of private placement, of common shares from related and other parties to carry on its business.

The Company completed its IPO in March 2012 and its common shares began trading on the TSX-V. The Company anticipates that the net proceeds of the offering, offset by the Company's working capital deficiency December 31, 2011 will be sufficient to enable the Company to carry out its proposed exploration programs on the El Roble Property for the ensuing year, and to make the option payments due to the owners of MINER pursuant to the staged payments in the Option Agreement.

The Company will be required to undertake additional financing in order to make the final option payment of $14,000,000, if it should decide that it is warranted. The company is required to make the US$14,000,000 final payment at the end of the two year option period, January 28, 2013. However, the option period can be extended for one year for an additional payment of US$1,200,000. There can be no assurance that the Company will be successful in raising the additional funds required to complete the option exercise for the El Roble Property should it decide to exercise the option.

Cash and Working Capital

As of December 31, 2011, the Company had cash balance of $127,141 and a working capital deficiency of $1,048,881, which included the loans payable of $708,250. The completion of the IPO has provided the Company with sufficient capital resources to operate for the next twelve months. However, these cash resources are not reflected in the statement of financial position because the IPO was completed subsequent to year-end. Since incorporation on April 25, 2010, the Company raised funds by undertaking the following:

- In March 2012, the Company completed its IPO by issuing 23,000,000 common shares at a price of $0.50 per common share, including the Agent's over-allotment option.
- In April 2011, the Company completed financing comprised of 3,000,000 common shares issued at a price of $0.20 per common share.
- In February 2011, the Company completed financing comprised of 10,900,000 common shares issued at a price of $0.05 per common share.

- In April 2010, the Company completed seed financing comprised of 1,200,000 common shares issued at a price of $0.05 per common share.
- In September 2011, the Company entered into debenture agreements for aggregate principal of $500,000 with interest rate of 6% per annum calculated and compounded annually (converted into common shares of the Company upon completion of the IPO).
- In November 2011, the Company entered into a promissory note agreement with related parties for an aggregate principal amount of $200,000 bearing interest at a rate of 6% per annum and repayable at any time up to May 31, 2013.

Management of cash balances is conducted based on internal investment guidelines. Cash is deposited with major Canadian financial institutions. Cash required for immediate operations is held in a chequing account. Excess of funds may be invested in conservative money market instruments that bear interest and carry a low degree of risk. Some examples of instruments in which the Company may invest its cash are treasury bills, money market funds, bank guaranteed investment certificates and bankers' acceptance notes. The objective of these investments is to preserve funds for the advancement of the Company's projects.

Cash Used in Operating Activities

Cash used in operating activities for the year ended December 31, 2011 was $95,022 and for the period from incorporation on April 15, 2010 to December 31, 2010 was $33,600. These expenses were incurred primarily for general and administrative expenses, audit costs, and legal fees in connection with the preparation of the Company's audited financial statements, and the Prospectus and related activities associated with the IPO.

Cash Used in Investing Activities

Total cash used in investing activities during the year ended December 31, 2011 was $1,479,656. There were no investing activities during the period from incorporation on April 15, 2010 to December 31, 2010. The cash used in investing activities was made up of $28,847 in acquisition of equipment, $535,248 (US$550,000) in the first and second payments relating to the Option Agreement, and $915,561 in exploration expenses consisting primarily of geological consulting fees, field costs and logistical support, exploration personnel and office and administration of the Colombian office.

Cash Provided by Financing Activities

Cash provided by financing activities during the year ended December 31, 2011 was $1,675,419 and for the period from incorporation on April 15, 2010 to December 31, 2010 was $60,000. For the year ended December 31, 2011, the Company paid $169,581 related to the IPO, primarily legal costs.

Requirement of Additional Equity Financing

The Company has relied entirely on equity financings and loans payable for all funds raised to date for its operations. The Company will need more funds to complete the acquisition of the El Roble Property and to fund the Phase 2 recommended exploration program and development thereof. Until the Company starts generating profitable operations from exploration, development and sale of minerals, the Company will continue relying upon the issuance of securities to finance its operations and acquisitions pursuant to private placements and the exercise of warrants and stock options. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings.

This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms.

TRANSACTION WITH RELATED PARTIES

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

Year ended December 31, 2011		Salary or Fees		Share-based Payments		**Total**
Jorge R. Ganoza Aicardi, *Director/President*	$	90,428	$	46,545	$	136,973
Jorge A. Ganoza Durant, *Director/Chairman*		-		31,030		31,030
Christina Cepeliauskas, *Chief Financial Officer*		-		12,412		12,412
Kim Casswell, *Corporate Secretary*		-		9,309		9,309
Luis D. Ganoza Durant, *Director*		-		31,030		31,030
Mario Szotlender, *Director*		-		24,824		24,824
Michael Winn, *Director*		-		24,824		24,824
David Miles, *Director*		-		12,412		12,412
	$	90,428	$	192,386	$	282,814

Period from incorporation on April 15, 2010 to December 31, 2010		Salary or Fees		Share-based Payments		**Total**
Jorge A. Ganoza Durant	$	75,000	$	-	$	75,000
Luis D. Ganoza Durant		75,000		-		75,000
	$	150,000	$	-	$	150,000

During the year ended December 31, 2011, the Company also entered following related party transactions:

- On January 5, February 9, and March 17, 2011, directors of the Company subscribed for 9,100,000, 1,000,000 and 1,575,000 common shares of the Company issued at a price of $0.05, $0.05 and $0.20 per common shares for proceeds of $455,000, $50,000 and $315,000, respectively.

- The Company issued 300,000 common shares, valued at $150,000, to directors of the Company to settle $150,000 of accounts payable balances outstanding.

Related party liabilities	Items or Services		December 31, 2011		December 31, 2010
Accounts payable and accrued liabilities:					
Jorge R. Ganoza Aicardi	Management fees	$	91,428	$	-
Jorge A. Ganoza Durant	Consulting fees		-		75,000
Luis D. Ganoza Durant	Consulting fees		-		75,000
Seabord Services Corp.	Admin services/expense recovery		101,740		-
Loans payable:					
Jorge R. Ganoza Aicardi		$	101,000	$	-
Jorge A. Ganoza Durant			100,750		-
Luis D. Ganoza Durant			101,000		-
Mario Szotlender			101,000		-

Seabord Services Corp., ("Seabord") is a management services company controlled by Michael Winn, a director. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to the Company. The Chief Financial Officer is an employee of Seabord and is not paid directly by the Company. During the year ended December 31, 2011, Seabord charged $83,400 (from incorporation on April 15, 2010 to December 31, 2010 - $Nil) for the above services, all of which was in accounts payable as at December 31, 2011.

The above transactions are measured at the exchange amounts (the amounts established and agreed to by the related parties) which approximate the arm's length equivalent value. All balances due to related parties are included in accounts payable and accrued liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

PROPOSED TRANSACTIONS

There are no proposed transactions of a material nature being considered by the Company other than its option to acquire the El Roble Property.

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. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Recoverability of exploration and evaluation assets

Proven and probable mineral reserves are the economically mineable parts of the Company's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of exploration and evaluation properties, plant and equipment, goodwill, decommissioning and restoration provision, recognition of deferred tax amounts and depreciation, depletion and amortization.

Valuation of share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive income (loss) over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Deferred taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

Decommissioning and restoration provisions

The determination of the fair value of decommissioning and restoration provisions requires subjective assumptions regarding costs to restore the property, the time period such costs will be incurred, an appropriate inflation factor and an appropriate discount rate. Changes in these assumptions could materially affect the recorded amount.

SIGNIFICANT ACCOUNTING POLICIES

During the year ended December 31, 2011, the Company adopted the following significant accounting policies:

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Atico Mining Corporation Colombia S.A.S., after eliminating intercompany balances and transactions. Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Impairment of financial assets

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in comprehensive income or loss are reclassified to profit or loss in the period. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or,
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Amortization is provided at rates calculated to write off the cost of equipment, using the declining-balance method at a rate of 30% per annum.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item are accounted for separately, including major inspection and overhaul expenditures which are capitalized.

NEW ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Accounting Standards Issued and Effective January 1, 2012

IAS 12 Income Taxes (Amended) ("IAS 12"), introduces an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value.

Accounting Standards Issued and Effective January 1, 2013

IFRS 7 Financial instruments: Disclosures (Amended) require additional disclosures on transferred financial assets.

IFRS 10 Consolidated Financial Statements establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements

a) defines the principle of control, and establishes control as the basis for consolidation.
b) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee.
c) sets out the accounting requirements for the preparation of consolidated financial statements.

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation—Special Purpose Entities.
IFRS 11 Joint Arrangements establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

IFRS 12 Disclosure of Involvement with Other Entities requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

IAS 27 Separate Financial Statements has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

IAS 28 Investments in Associates and Joint Ventures prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

Accounting Standards Issued and Effective January 1, 2015

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

FINANCIAL INSTRUMENTS

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.
The carrying value of receivables, accounts payable and accrued liabilities and loans payable approximated their fair value because of the short-term nature of these instruments.

As at December 31, 2011, the Company’s financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	Total
Cash	$ 127,141	$ -	$ -	$ 127,141

Financial Instrument Risk Exposure and Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk arises from cash and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk other than cash deposits. The Company's cash deposits are primarily held with a Canadian chartered bank. The Company has minimal accounts receivable exposure.

Interest rate risk

As the Company does not have significant interest-bearing assets, the Company's income and operating cash flows are not significantly affected by changes in market interest rates. The Company's loans payable are carried at a fixed interest rate, which have minimal interest rate risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, as at December 31, 2011, included $509,943 of accounts payable and accrued liabilities and loans payable of $708,250 that have expected maturity dates of less than one year from December 31, 2011. Balances due within 12 months equal their carrying balance as the impact of discounting is not significant.

The Company is currently considering funding options that are available including raising additional funds from institutional investors and/or current shareholders and is confident that funding will be available to meet the final work program.

Foreign Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in both Canada and Colombia and incurs expenditures in currencies other than Canadian dollars. Thereby, the Company is exposed to foreign exchange risk arising from currency exposure. The Company has not hedged its exposure to currency fluctuations.

At December 31, 2011, the Company is exposed to currency risk through the following assets and liabilities:

		US dollars		Colombian pesos		**Total**
Cash	$	671	$	48,874,173		
Receivables		-		1,771,418		
Accounts payable and accrued liabilities		(125,576)		(28,413,195)		
Net exposure		(124,905)		22,232,396		
Canadian dollar equivalent	$	(127,402)	$	11,755	$	(115,647)

Based on the above net exposure as at December 31, 2011, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar and Colombian peso would result in an increase/decrease of approximately $11,565 in the Company's pre-tax earnings (loss).

RISKS AND UNCERTAINTIES

In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered. It should be noted that the list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

The Company may earn an interest in certain of its properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

The securities markets can experience a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as the Company, may experience wide fluctuations in share prices which will not necessarily be related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Foreign Country and Political Risk

The Company is operating in countries that currently have varied political and economic environments. As such, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights, opposition from environmental or other non-governmental organizations, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety.

Notwithstanding any progress in restructuring political institutions or economic conditions, the present administration, or successor governments may not be able to sustain any progress. If any negative changes occur in the political or economic environment of these countries, it may have an adverse effect on the Company's operations in those countries. The Company does not carry political risk insurance.

Currency Risks

The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in local currencies or in US dollars. At this time, there are no currency hedges in place. Therefore a weakening of the Canadian dollar against local currencies or the US dollar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Environmental Risks and Hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve 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 can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

OUTSTANDING SHARE DATA

As at April 26, 2012, the Company had 39,761,111 common shares issued and outstanding. There were also stock options to purchase 1,740,000 shares outstanding with expiry dates ranging from May 7, 2012 to February 8, 2017.

EVENTS AFTER REPORTING DATE

Subsequent to December 31, 2011, the Company:

- entered into a promissory note agreement with related parties for an aggregate principal amount of $180,000 bearing interest at a rate of 6% per annum and payable at any time up to July 19, 2013;

- completed its initial public offering for gross proceeds of $11,500,000 by issuing 23,000,000 common shares at $0.50 per share, including the Agent's over-allotment option

- issued 250,000 common shares as finder's fees in connection to the IPO;

- commenced trading of its common shares on the TSX Venture Exchange under the symbol "ATY";

- issued 1,111,111 common shares of the Company on conversion of $500,000 loans payable; and

- paid the third option payment (US$650,000) in connection with the option agreement for the El Roble mineral property.