



SOLTORO LTD.

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE INTERIM PERIOD ENDED MARCH 31, 2011**

This Management Discussion and Analysis ("MD&A") reviews the financial condition and results of operations of Soltoro Ltd. ("Soltoro" or the "Company") for the interim period ended March 31, 2011. The MD&A was prepared as of June 27, 2011 and should be read in conjunction with the unaudited consolidated financial statements for the three month period ended March 31, 2011 and the audited consolidated financial statements for the year ended December 31, 2010 and 2009, including the notes thereto. All figures are in Canadian dollars unless stated otherwise. The Company has adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010. Additional information relevant to the Companies activities, including the Company's audited consolidated financial statements can be found on SEDAR at www.sedar.com.

All statements, other than of historical fact included herein, including without limitation, statements regarding potential mineralization, reserves and exploration results and future plans and objectives of the Company are forward looking statements and involve various risks and uncertainties, which are detailed in the Section "Risk Factors" of this MD&A. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

OVERVIEW

Soltoro Ltd. ("the Company") is a mineral exploration company listed on the TSX Venture Exchange as a Tier 2 company and trading under the stock symbol "SOL". The Company is a development stage company and is primarily engaged in the business of exploration and development of mineral resources in Mexico through its 100% owned subsidiary, Soltoro S.A. de C.V. ("Soltoro-Mexico"). Soltoro-Mexico holds interests in properties hosting silver, gold, and copper mineralization. All of Soltoro's properties are located in Mexico. None of Soltoro-Mexico's properties are currently in production.

Management's strategy for building Soltoro into a profitable resource company and maximizing shareholder value is to acquire and explore drill ready or near drill ready properties with the potential to host significant economic deposits within prolific mining districts in Mexico. The Company explores primarily for gold, silver and copper, with the objective of enhancing the value of its properties either by direct exploration or through joint ventures to third parties. This strategy diversifies the business risks inherent in developing a single property and may increase shareholder value substantially going forward.

The Company continues to actively explore its Mexican properties. Future quarterly results, in terms of both corporate and exploration expenditures may be constrained by difficult market conditions and lack of financing available to junior mining companies.

The Company's cash resources are considered sufficient to enable the Company to continue exploration work on its properties in the near term but additional funds will be required going forward to advance exploration on the Company's properties and replenish working capital.

PROPERTY PORTFOLIO

El Rayo Primary-Silver Gold Project

The El Rayo project is located adjacent to the town of Guachinango in the state of Jalisco, Mexico. Two concessions covering a total 10,036 hectares make up the project consisting of the 3,848 hectare "El Rayo" and 6,188 hectare "Guachinango 1" concessions. Soltoro-Mexico owns 100% title interest to the El Rayo concession with no outstanding interests or payments due. On November 24, 2006, Soltoro-Mexico acquired a 100% interest to the "Guachinango 1" property from Silver Predator Mines Inc. (formerly "Fury Explorations Ltd."). Silver Predator's Mexican subsidiary retains a 2% Net Smelter Return royalty in the "Guachinango 1" concession of which Soltoro has the right to repurchase 1.5% of the Net Smelter Return royalty for US\$1,500,000.

There is good access to the El Rayo property as it is situated near a main highway, and a paved road to the town of Guachinango intercepts the main historically mined zone on the property. Within the property, 14 historic underground mines have been located to date along three separate structures. The historic Catarina mine began operating in 1545 with the majority of the mining activity taking place at the end of the 19th century.

Beginning in the late 1970's, the Consejo de Recursos Minerales government geological agency (CRM) carried out extensive work programs on the property at the previously producing Catarina, El Rayo, Matachines and Las Bolas mines pursuant to which CRM reported a 7 million ounce silver resource consisting of 1,346,072 tonnes grading 169 gpt silver. The CRM resource is considered historical and non NI 43-101 compliant. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources. Soltoro is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.

The Company is investigating the property for the potential to host a bulk mineable silver-gold-lead deposit. In 2007, the Company completed a 5,530 metre orientation diamond drill program.

The 2007 drill program confirmed that additional drilling within the historic resource area and along the north-west and north-east mineralized extensions was warranted. Trenching and drilling has identified a new precious metals system (primarily gold) north-west along the El Rayo structure and a continuation of the silver-lead mineralization along the north-east trending Las Bolas structure.

The mineralized El Rayo and Las Bolas structures are contiguous and have been traced over 5 kilometres. Mineralization along the north-east-trending Las Bolas structure has been defined over a 1.7 kilometre strike length to date. The 2007 orientation drill program primarily tested the southern portion of the Las Bolas structure over a 700 metre strike length with every drill hole intercepting mineralization. A decision to drill along the 500 metre north-east extension beyond the historic resource area was made to demonstrate the consistency of the mineralization within the Las Bolas structure and to add to the historic resource. Little to no drilling had previously been carried out in this area.

On June 17, 2008, Soltoro started a resource definition reverse-circulation drill program along in the Las Bolas mine area. Two reverse-circulation holes twinned prior diamond core drilling in order to compare the mineralization intersected by these two methods and in the hope of obtaining a more representative sample given the less than 70% recoveries obtained with the diamond drill. Results from the twinned holes were as follows:

Line	Drill Hole	From:	To:	Width ¹ : (Metres)	Silver gpt	Lead %
S4	RAY08-RC01	69.0	88.5	19.5	184	0.60
S4	RAY-07-38	64.5	84.0	19.5	187	0.13
S12	RAY08-RC41*	45.0	76.5	31.5	113	0.26
S12	RAY-07-11	49.1	84.2	35.1	92	0.04

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

RAY08-RC01, the first twinned hole drilled along the Las Bolas structure using a percussion drill, returned a near identical result as diamond drill hole RAY-07-38, which served to confirm that percussion drilling is an effective method for drilling along the Las Bolas structure. Recovery in RAY08-RC01 and RAY07-38 were near 100%. RAY08-RC41, twinned diamond drill hole RAY-07-11. This is an area where previous diamond drilling achieved only a 70% core recovery due to poor ground conditions. Recovery utilizing percussion drilling in this area was 100% and assay values improved by roughly 30%. During the 2008 program ten sections at 50 metre spacings were completed. Along each section four holes were drilled to intersect the vein structure at 25 metre intervals down the predicted dip. Results of all 10 sections are summarized as follows:

Line	Drill Hole	From:	To:	Width ¹ : (Metres)	Silver gpt	Lead %
S1	RC22	64.5	118.5	54.0	74	0.22
	Including	103.5	117.0	13.5	152	0.68
S1	RC23	63.0	81.0	18.0	55	0.01
	Including	78.0	81.0	3.0	129	0.12
S1	RC24	42.0	49.5	7.5	26	0.04
S1	RC25	21.0	25.5	4.5	10	0.05
S2	RC19	21.0	27.0	6.0	67	0.03
S2	RC20	45.0	57.0	12.0	104	0.08
	Including	48.0	54.0	6.0	149	0.08
S2	RC21	49.5	79.5	30.0	96	0.25
	Including	67.5	73.5	6.0	181	0.08
S2	RC28	81.0	127.5	46.5	143	0.27
	Including	99.0	118.0	19.5	261	0.56
	Including	99.0	114.0	15.0	311	0.71
S3	RC18	18.0	31.5	13.5	153	0.92
	Including	21.0	27.0	6.0	263	1.85
S3	RC17	27.0	57.0	30.0	122	0.13
	Including	36.0	52.5	16.5	165	0.18
S3	RC26	60.0	82.5	22.5	139	0.13
	Including	64.5	81.0	16.5	175	0.16
S3	RC27	96.0	126.0	30.0	148	0.22
	Including	99.0	117.0	18.0	218	0.34
S4	RC03	21.0	33.0	12.0	103	0.28
S4	RC02	33.0	55.5	22.5	176	0.14
S4	RC01	69.0	88.5	19.5	184	0.60
S4	RC29	90.0	134.5	49.5	84	0.11
	Including	115.5	136.5	21.0	118	0.07
S5	RC11	28.5	36.0	7.5	58	0.04
S5	RC13	43.5	76.5	33.0	77	0.09

	Including	60.0	70.5	10.5	136	0.15
S5	RC14	69.0	102.0	33.0	105	0.13
	Including	81.0	93.0	12.0	179	0.22
S5*	RC30*	60.0	150.0	90.0	150	0.20
	Including	111.0	144.0	33.0	138	0.13
S5*	RC30 cut value*	60.0	150.0	90.0	99	0.20

¹All intersections are reported as drill lengths. True widths are not known at this time but are believed to be close to drilled width based on lithology and drill orientation.

* 4,004 gpt silver was returned over 1.5m, the cut value represents a cut off value of 1,000 gpt silver

Line	Drill Hole	From:	To:	Width ¹ (Metres)	Silver gpt	Lead %
S6	RC09	39.0	46.5	7.5	120	1.27
S6	RC10	58.5	70.5	12.0	92	2.07
	including	58.5	67.5	9.0	103	2.04
S6	RC12	60.0	100.5	40.5	61	0.23
	including	79.5	85.5	6.0	91	0.10
S6	RC16	123.0	153.0	30.0	69	0.23
	including	124.5	138.0	13.5	72	0.08
	including	124.5	132.0	7.5	74	0.09
S7	RC08	31.5	48.0	16.5	155	4.68
	including	33.0	43.5	10.5	203	6.09
S7	RC06	54.0	100.5	46.5	80	1.19
	including	58.5	73.5	15.0	120	3.08
S7	RC15	87.0	100.5	13.5	74	0.38
	including	88.5	91.5	3.0	98	0.53
S7	RC31	172.5	181.5	9.0	31	0.15
S8	RC04	4.5	33.0	28.5	87	0.16
	including	4.5	18.0	13.5	110	0.26
S8	RC05	27.0	55.5	28.5	85	0.17
	including	27.0	45.0	18.0	103	0.22
S8	RC07	61.5	66.0	4.5	51	0.14
	RC10	58.5	70.5	12.0	92	2.07
S8	RC32	87.0	102.0	15.0	51	0.38
S9	RC36	3.0	34.5	31.5	107	0.54
	including	4.5	21.0	16.5	147	0.93
S9	RC33	27.0	39.0	12.0	124	1.14
S9	RC37	49.5	58.5	9.0	63	0.1
S9	RC38	70.5	79.5	9.0	73	0.07
S10	RC34	19.5	34.5	15.0	46	0.12
S10	RC35	45.0	51.0	6.0	51	0.06
S10	RC39	76.5	94.5	18.0	61	0.04
S10	RC40	109.5	120.0	10.5	87	0.05
	including	111.0	115.5	4.5	117	0.05

All intersections are reported as drill lengths. True widths are not known at this time but are believed to be close to drilled width.

In September and October of 2008, further mapping and sampling was carried out along and surrounding the north-eastern extension of Las Bolas in an attempt to understand the mineralization encountered in the

drilling. Several new mineralized structures were identified in the hanging-wall of the main mineralized trend to the northwest, which appear to correspond with zone drill intercepts. A location map showing all the drill sections can be viewed at www.soltoro.com/pdf/DS2008RCRAYO.pdf.

Due to a lower silver price and volatile financial markets for most of 2008, the resource drilling program was limited to 40 RC drill holes. Work programs were later carried out to drill test the south-western portion of the Las Bolas structure, including deeper drilling, along the entire structure. The intent was to identify the source and depth of the vein systems and to drill test the gold zone along the north-western extension of the El Rayo structure. In the first quarter of 2009, silver prices recovered and several property tours were conducted with potential joint venture partners. In April of 2009, a third party consultant was hired to provide a target deposit calculation on the 650m long portion of the Las Bolas structure where resource drilling was carried out in 2008.

The independent report completed by GeoVector Management Inc. concludes, “The Bolas has excellent potential to increase its tonnage base, both down dip, and along strike. It is conceivable, based on the current drilling and the historical production areas along strike, that expansion drilling could bring the total Bolas structure (approximately 1.7km long) to 25-35Mt and 90-110M oz silver. To test this potential it is suggested that Soltoro should carry out a program of aggressive expansion drilling, looking +/- 100m down dip below current drilling, and on 100-200 meter sections extending along strike in both the northeast and southwest directions.”

The reader should be cautioned that the potential quantities and grades reflected above and in the target deposit potential table are conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

In June of 2009, Laboratorio Tecnológico de Metalurgia LTM S.A. de C.V. located in Hermosillo, Mexico, was retained to carry out a series of metallurgical tests on two separate rock types: 1) hematite matrix breccia containing gold from the El Rayo structure and 2) oxide silver material from the Las Bolas structure. A series of bottle roll tests were completed at different grind sizes ranging from -3/8 inch to -100 mesh. At the coarse size of -3/8 inch the gold recovery by cyanide leaching of the El Rayo gold material was 93.8% after 48 hours. At the same size grind, samples from the Las Bolas silver structure returned recoveries between 74.3% and 86.9% for the gold and between 23.8% and 29.0% for the silver after 48 hours. At the finer grind size of -100 mesh, material from the Las Bolas silver structure returned recoveries of 83.8% for gold and 64.3% for silver after 48 hours and rose to 100% for gold and 78.6% for silver after 120 hours. Column testing is being considered for the El Rayo structure gold material based on the high leaching percentage, while further studies are planned to optimize the silver recovery from the Las Bolas structure.

In June of 2009, a program of geochemical soil sampling was completed to test a possible gold-rich flexure in the El Rayo structure, which consisted of “B” horizon soil samples taken at 10 metre spacings along eight lines oriented to cross the structure perpendicularly. Results ranged from the detection limit up to 1.89 gpt gold. Each line was sampled over an 80 to 120 metre length with further soil sampling warranted on most lines. All lines returned strong gold anomalies and generally corresponded to pieces of quartz float material in the soil which appears to be weathering of the original vein below the soil development. This zone remains open to the north-west. To view a map showing the extension zone interpretation please visit: <http://www.soltoro.com/pdf/rayosoi2009.pdf>.

This northern extension is 1 km long and open along strike to the northwest. In July 2009, the second of two trenches over this anomaly located a vein with the following results:

Structure	Trench #	Interval (m)	Gold (gpt)
El Rayo	2	22.5	2.19
	including	7.5	5.36

Sampling of El Camino, a gold bearing zone approximately 900 metres south south-west of, and trending sub-parallel to, the El Rayo structure returned:

Structure	Type	Interval (m)	Gold(gpt)
El Camino	Channel	1.2	0.2
El Camino	Channel	1.3	3.2
El Camino	Channel	1.2	4.6
El Camino	Channel	0.8	4.6
El Camino	Channel	6	0.7

A location map showing trench values along the El Rayo structure (including 2007 results), 2009 drill pad locations and the location of the El Camino vein can be found at:

<http://www.soltoro.com/pdf/ElRayotr2009.pdf>.

Trenching was also carried out at the 650 metre long Highway Zone, located at the ‘V’ junction between the Las Bolas and El Rayo structures. The mineralized structures at surface in the El Rayo and Las Bolas zones have an average width of between 6 and 8 metres. The surface expression of the Highway Zone is significantly broader than that of the Las Bolas zone where previous sampling along a road cut returned a 34 metre width of 65 gpt silver. During the program, 13 new trenches were completed over the hill west of the Highway Zone road cut where two historic underground mines are located and various trenches were extended from the first phase of trenching. Highlights of the program are presented in the table below include prior sampling carried out along the road cut:

Structure	Trench #	Interval (m)	Silver (gpt)	Lead %
Hwy Zone	Road Cut	34	65	0.45
Hwy Zone	H-T9	1.5	75	0.2
Hwy Zone	H-T10	19.5	69	1.6
	Including	7.5	81	1
	And	4.5	98	0.9
Hwy Zone	H-T10	6	78	1.1
	(down shaft) ⁽¹⁾			
Hwy Zone	H-T11	23	66	0.19
	Including	17	71	0.21
Hwy Zone	H-T12	44	65	0.21
	Including ⁽²⁾	16	95	0.28
	Including ⁽²⁾	16	61	0.21
Hwy Zone	H-T13	4	57	0.18

⁽¹⁾Channel sample taken 10 metres below surface in historic cross cut

⁽²⁾Each 16m interval represents a separate zone

A location map showing the Highway Zone trenches and values can be found at <http://www.soltoro.com/pdf/HwyZtr2009.pdf>. In September of 2009, seven new trenches were completed south-west of the Las Bolas mine as follows:

Structure	Trench #	Interval (m)	Silver (gpt)
Las Bolas	B-T1	14.8	110
	including	12.8	130
Las Bolas	B-T2	14	82
Las Bolas	B-T3	13	46
Las Bolas	B-T4	10	59
	including	8	68
Las Bolas	B-T5	10	73
	including	6	103
Las Bolas	B-T6	8	26
Las Bolas	B-T7	10	55

A location map along with cross sections of the Las Bolas trenches can be found at <http://www.soltoro.com/pdf/SWLasBolastr2009.pdf> .

From October through December 2009, additional reverse circulation drilling was completed at Las Bolas and along the gold-in-soil geochemical anomaly at the northern extension of the El Rayo structure, as well as along the Highway Zone. A total of 5,620.5 metres was completed in 32 holes (R09-RC42 to R09-RC74). A further 5,952 metres of drilling was completed from January to March of 2010 (holes R10-RC75 to R10-RC116).

In October, 2009, a contract was given to Hrayr Agnerian, M.Sc., P. Geol. to complete a NI 43-101-compliant resource on Las Bolas silver zone once the drill program was complete. Mr. Agnerian visited the property to review field procedures and verify data from 19 to 22 of October, 2009. One of Soltoro's advisory board members also visited the property in December of 2009.

Drilling began with two deep holes on the Las Bolas silver structure. Results from the first two holes drilled are as follows:

Section Line	Drill Hole	From (m)	To (m)	Width ¹ (m)	Silver gpt
S4	RC42	72	207	135	62
S4	including	72	75	3	546
S4	including	142.5	165.5	23	71
S4	including	184.5	207	22.5	117
S5	RC43	69	84	15	50
S5		148.5	157.5	9	59
S5	including	153	156	3	93
S5		219	223.5	4.5	93
S5		281	297.5	16.5	62

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

RC42 was successful in increasing the down-dip extent of the oxide silver mineralization by a further 50 metres for a total 150 metres below surface. RC43 located mineralization 200 metres down dip from surface. Cross-sections of these two holes are at can be viewed at:

<http://www.soltoro.com/pdf/Bolasdeepholes.pdf>

The drill was then moved to test the 250 metre long gold-in-soil geochemical anomaly at the northern end of El Rayo structure. Results were returned as follows:

Section Line:	Drill Hole:	From:	To:	Width¹: (metres)	Gold: (gpt)	Silver: (gpt)
R15	RC44 and	43.5	46.5	3.0	0.5	11.8
		49.5	51.0	1.5	0.2	86.6
R15	RC45	77	80	3	0.71	4.8
R16	RC50 including	124.5	151.5	27	0.7	6.3
		135	139.5	4.5	1.58	3.6
R17	RC46 including	34.5	60	25.5	1.8	15.1
		42	55.5	13.5	3.2	24.1
R17	RC49 including	87	121.5	34.5	0.57	4.3
		115.5	120	4.5	2.17	10.3
R18	RC47	40.5	54	13.5	1.71	3.5
	including	40.5	49.5	9	2.43	4.6
	including	48	52.5	4.5	5.4	11.9
R18	RC48	81	121.5	40.5	0.88	2.8
	including	81	87	6	1.23	4.6
	and	108	118.5	10.5	2.02	3.1

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

In November of 2009, reverse-circulation drilling in the Las Bolas silver zone was resumed and returned the following results:

Section Line:	Drill Hole:	From:	To:	Width ¹ : (metres)	Silver: (gpt)
S5	RC54	37.5	40.5	3	88
		57	60	3	47
		79.5	87	7.5	51
		93	96	3	51
	including including	142.5	222	79.5	67
		196.5	222	25.5	119
		204	220.5	16.5	161
S2	RC55 including including	63	187.5	124.5	60
		138	187.5	49.5	101
		150	184.5	34.5	125
S8	RC56 including	162	188	26	80
		174	188	14	108
S10	RC57 including	145.5	180	34.5	58
		156	169.5	13.5	79
S12	RC58	141	147	6	79
S12	RC59	178.5	193.5	15	55
S14	RC65	196.5	202.5	6	57
S14	RC66 including	195	208.5	13.5	50
		195	201	6	65
S7	RC67	15	24	9	69
		40.5	46.5	6	62
		75	85.5	10.5	55
		135	150	15	55
N4	RC69 including	93	102	9	100
		96	102	6	127
N2	RC71 including	54	94.5	40.5	57
		57	61.5	4.5	91
S3	RC74 including	72	78	6	73
		225	267	42	104
		241.5	265.5	24	140

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

These drill results make up part of the 950 metre long strike length drill results returned along the Las Bolas structure being used to calculate a NI 43-101-compliant silver resource.

An additional seven RC drill holes were completed north east along strike from of the resource area at 200 metre spacings to test the structure at approximately a 100 metres depth and returned no economic values. The structure continued to have a width of approximately 10 metres with strong hematite but with

less silicification and more calcite. Drilling along a 460 metre long section of the Highway Zone structure returned:

Section Line:	Drill Hole:	From:	To:	Width ¹ : (metres)	Silver: (gpt)
H7S	RC75	22.5	69	46.5	75
	including	28.5	51	22.5	88
H2S	RC77	9	28.5	19.5	92
	including	10.5	19.5	9.0	141
H5S	RC78	15	51	36.0	74
	including	34.5	49.5	15.0	105
H3S	RC79	60	72	12.0	220
	including	64.5	66	1.5	978
H3S	RC82	9.0	40.5	31.5	113
	including	16.5	27.0	10.5	236
H2S	RC87	49.5	55.5	6.0	91
		73.5	82.5	9.0	124
H1S	RC88	81	90	9.0	63

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

Two further RC drill holes were completed in proximity of the historic Matachines mine located to the south of the resource area and returned the following results.

Section Line:	Drill Hole:	From:	To:	Width ¹ :	Silver: (gpt)
S20	RC96	147.0	156.0	9	49
S18	RC97	100.5	118.5	18	70
	Including	100.5	109.5	9	98

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

Further drilling in the area of the gold-in-soil geochemical anomaly at the northwest end of El Rayo included a reverse-circulation twin (RC89) of previous diamond hole Ray07-35 in order to evaluate the alternative sampling techniques. The results were returned as follows:

Section Line:	Drill Hole:	Structure	From:	To:	Width ¹ (metres):	Gold: (gpt)
R10 ²	RC89	El Rayo	64.5	102	37.5	2.72
R10	Ray07-35 ³	El Rayo	64.5	102	37.5	1.83

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

²Note: the sections lines were re-labelled using metres starting from the south and R10 is equivalent to R-775

³Previously announced diamond drill hole NR30 September 2007

In November 2009, an additional 11 shallow reverse-circulation holes were drilled at 50 metre separations along strike to test the area with previously identified anomalous trench results for a 700 metre long section to the immediate south west of the gold-in-soil geochemical anomaly. Select drill results are as follows:

Section Line:	Drill Hole:	From:	To:	Width ¹ : (metres)	Gold: (gpt)	Silver: (gpt)	Lead %	Zinc %
R-075	RC111	36.0	49.5	13.5	0.49	17	0.89	0.26
R-125	RC107	45.0	49.5	4.5	0.15	117	3.11	3.28
R-175	RC108	43.5	54.0	10.5	1.24	43	2.06	0.83
R-225	RC109	36.0	45.0	9	0.46	11	0.28	0.28
	including	36.0	39.0	3	0.95	13	0.27	0.23
R-275	RC110	9.0	16.5	7.5	0.60	12	0.41	0.06
	including	9.0	12.0	3	1.08	20	0.55	0.04
	RC110	46.5	54.0	7.5	0.85	37	0.50	0.12
R-325	RC106	22.5	34.5	12	0.54	10	0.25	0.13
	including	22.5	27.0	4.5	0.8	11	0.35	0.17
R-375	RC112	55.5	57.0	1.5	0.70	16	0.26	0.13
	RC112	78.0	84.0	6	0.36	7	0.27	0.33
R-475	RC105	33.0	37.5	4.5	0.50	37	2.80	3.30
	RC105	64.5	69.0	4.5	0.51	15	0.56	0.75
R-525	RC104	45.0	57.0	12	0.98	32	0.34	0.27
R-625	RC102	45.0	55.5	10.5	1.50	8	0.25	0.36
R-675	RC101	48.0	51.0	3	1.16	13	0.28	0.29

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

Results from this shallow drilling program confirm that the structure continues over the additional 700 metres tested, bringing the total length of the zone to the 1,000 metres as initially identified through trenching. The structure pinches and swells both along strike and at depth.

Four additional RC drill holes (RC113 to RC116) were completed at 200 metre separations along the overall El Rayo mineralized trend to test the 1,400 metre long gap between the 1,000 metre long gold zone at the northwest end and the historical Catarina mine to the southeast. While these holes intersected significant widths of brecciated quartz, up to 58 metres wide, none of the assayed samples contained any economic mineralization.

Mapping completed to the south of the El Rayo Mine area delineated three separate mineralized structures, namely: the previously identified El Camino vein which has now been traced over a 1 km strike length; the newly identified Esmeralda vein; and the La Loma stockwork zone. Sampling and trenching has been completed for all three zones with all zones returning values anomalous in gold, silver and copper. A 0.7 metre chip-channel sample from El Camino assayed 2.56 gpt gold, while a second sample, a further 275 metres along strike, assayed 2.7 gpt gold from a 1.0 by 1.0 metre chip panel. Samples from a dump from an old working assayed 11.65 gpt gold and 493 gpt silver. Samples from the Esmeralda vein were anomalous along the entire 1,075 metres which was sampled with a high of 0.90 gpt gold from a 1.0 by 2.0 chip panel. Both veins pinch and swell along strike with an average width of about 1 m with swells up to 3 or 4 metres wide. The La Loma stockwork zone has a moderate to strong zone of stockwork fracturing with associated weak to moderate quartz veining. One sample returned 0.55 gpt gold across 1.4m and another sample returned 0.43 gpt across 2.0m, both with associated anomalous Copper, Lead, Arsenic, Antimony and Molybdenum values.

Detailed mapping and sampling has been completed along the surface portion of the Catarina Mine on the El Rayo structure south of the gold zone. Initial trench results are shown in the following table.

Trench Name:	Length:	Calculated: True Width (m)	Silver: (gpt)
Tepeguaje GH Hangingwall	22.7	22.0	143.0
Tepeguaje GH Central	7.2	6.0	132.7
Tepeguaje GH Footwall	5.7	3.0	243.8
Esperanza Trench 1	16.5	14.0	96.7

Of note is that the three Tepeguaje sample lines are on the same line across the width of the mineralized zone but could not be sampled as one continuous line due to irregularities in the surface outcrop exposure leaving approximately 6m unsampled. This indicates for the full width of this zone to be approximately 37 metres.

One diamond drill hole (R10-40) was completed in April, 2010 testing the west end of the El Camino structure which returned no economic values.

During the first quarter of 2010 Soltoro received an indicated and inferred mineral resource estimate for its Las Bolas mineral deposit. At the cut-off grade of 40 g/t silver the Indicated Mineral Resources are 9,470,000 tonnes at an average grade of 69.4 g/t silver containing approximately 21.1 million ounces of silver and 1,800,000 tonnes of Inferred Mineral Resources at an average grade of 67.4 g/t silver, containing approximately 4 million ounces of silver. The mineral resource estimate was prepared by an independent consultant and is compliant with National Instrument (NI) 43-101. The resource is based on a total of 84 drill holes, 12 diamond drill core and 72 reverse circulation.

The deposit consists of a northeast trending, 40 degree northwest dipping body, approximately 40 metres thick extending down dip from surface to more than 200 m below the surface and 800 m along strike. The resource is in an area of low relief with no environmental sensitivity, close to established infrastructure, thereby making it amenable to rapid development as a new open-pit mine.

The estimated resources are based on a silver price of US \$16.00/ounce and a metallurgical recovery based on un-optimized tests of 65% of the contained silver with minimum block sizes of 5 metres vertical. The resource classifications are based upon the CIM definitions. Cut grades were determined by truncating all assays above 200 g/t silver to 200 g/t silver. Mineral Resources are estimated over a minimum 5 metres vertical thickness at an estimated bulk in-situ density of 2.5 tonnes per cubic metre. Tonnage and average grade values are rounded. The Mineral Resources are contained within a conceptual open-pit mine at a silver price of US \$16.00/ounce. Indicated Mineral Resources include blocks within a 40 metre search radius of a drill intersection, and Inferred Mineral Resources include blocks within a 65 metre search radius as well as blocks in the hanging-wall of the main deposit.

The Mineral Resources are reported at the cut-off grade of 40 g/t silver, as recommended by the independent consultant. Tonnage and average grades estimates were reported as follows:

Table 1: Las Bolas Mineral Deposit
Estimates of Mineral Resources at Different Cut-Off Grades, as of April 30, 2010

Cut-off grade g/t Silver	Tonnes	g/t Silver Cut	Uncut	Contained ounces of Silver Cut	Uncut
Indicated Mineral Resources					
20	13,100,000	59.1	64.1	24,900,000	27,000,000
30	11,950,000	62.3	67.8	23,900,000	26,000,000
40	9,470,000	69.4	76.3	21,100,000	23,200,000
50	6,960,000	78.4	87.6	17,500,000	19,600,000
60	5,200,000	86.4	98	14,400,000	16,400,000
Inferred Mineral Resources					
20	9,200,000	35.1	36.1	10,400,000	10,700,000
30	4,000,000	48.9	50.2	6,300,000	6,500,000
40	1,800,000	67.4	68.9	4,000,000	4,100,000
50	1,300,000	76.8	79	3,200,000	3,300,000
60	800,000	88.7	92	2,350,000	2,400,000

The report from the independent consultant recommends that Soltoro continue to explore for silver and gold mineralization elsewhere on its extensive El Rayo property, particularly along strike and at depth from the Las Bolas deposit.

A copy of the full resource estimation report is available on the SEDAR website and Soltoro's web site. The mineral resources estimated were completed by Hrayr Agnerian, M.Sc. (Applied), P.Geo. of Agnerian Consulting Ltd. Mr Agnerian is the Qualified Person for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and has verified the data disclosed in this MD&A.

In addition to the resources at its Las Bolas deposit, Soltoro is actively exploring additional mineralized zones elsewhere on its 100% owned El Rayo property to define further resources. These include:

- The southern extension of the Las Bolas Structure in an area close to the historical Matachines mine with additional Inferred Mineral Resources of approximately 400,000 tonnes at an average grade of 65 g/t silver containing approximately 850,000 ounces of silver. This resource is based on a total of 6 drill holes, 2 diamond drill core and 4 reverse circulation.
- Highway Zone: Potential for 2 million to 2.3 million tonnes grading 73 g/t silver to 78 g/t silver, containing approximately 5.3 million to 5.7 million ounces of silver. This estimate is based on a total of 16 reverse circulation drill holes.
- El Rayo Structure Northern Extension: Potential for one million to 1.1 million tonnes grading 0.9 g/t gold to 1 g/t gold and 14 g/t silver to 15 g/t silver, containing approximately 33,000 to 34,000 ounces of gold and 450,000 to 500,000 ounces of silver. This estimate is based on a total of 8 drill holes, 2 diamond drill core and 6 reverse circulation.

The Catarina mine area, the largest of the historical mines on the El Rayo property, extends for approximately 500 metres along strike over a vertical extent of over 100 metres. From 1978 to 1981 a Mexican government agency completed surface trenching, underground sampling and development as well as surface and underground drilling from which they derived a historical resource. Soltoro considers the potential quantity and grade of the material at the Highway Zone and the El Rayo Structure Northern Extension to be conceptual in nature. There has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource and it is uncertain if further exploration will result in discovery of a mineral resource.

In July, 2010, Soltoro compiled results of a comprehensive program of channel sampling in surface trenches over the previously producing Catarina Mine. Trenching was carried out to outline the dimensions of the mineralized zone in preparation for future drilling. The trenching has outlined a zone which is 500 metres long and 10 to 35 metres wide, within which all of the samples returned values over 25 g/t silver, with numerous continuous channel samples over 100 g/t silver. The highest individual average grade was 244 g/t silver over a total of 6.2 metres while the widest single trench was 78 g/t silver over a total of 36.4 metres, within which a core section averaged 154 g/t silver over a length of 11.9 metres.

Complete results from the Catarina mine trenching program were returned as follows:

Trench Number	Silver (g/t)	Length
Trench #2	44.00	11.10
Trench #3a	43.68	6.10
Trench #3b	34.75	13.50
Trench #4	262.00	1.30
Trench #5 (Tepeguaje)	78.19	36.40
Trench #5 (Tepeguaje), including	153.57	11.90
Trench #6	30.43	11.60
Trench #7	190.85	4.70
Trench #8a	83.90	4.70
Trench #8b	75.24	2.90
Trench #9	123.41	13.70
Trench #10	137.95	6.10
Trench #10, including	186.25	3.60
Trench #11a	155.13	3.80
Trench #11b	223.60	2.50
Trench #12a	77.28	3.70
Trench #12b	77.92	3.20
Trench #13	110.76	10.80
Trench #13, including	215.47	4.30
Trench #14	61.94	2.50
Trench #15b	39.33	2.30
Trench #16a	120.50	3.60
Trench #16b	152.62	5.70
Trench #17	104.04	4.20
Trench #19	31.13	2.60
Esperanza Trench 1	146.06	6.10
Esperanza Trench 2	52.36	14.25
Esperanza Trench 3	47.84	13.20
Esperanza Trench 4	79.99	24.55
Esperanza Trench 4, including	132.55	5.55
El Alacran tunnel	54.92	45.90
Tepeguaje Trench (Glory Hole) Hangingwall	140.93	21.50
Tepeguaje Trench (Glory Hole) Hangingwall, including	214.88	11.00
Tepeguaje Trench (Glory Hole) Central	132.51	6.50
Tepeguaje Trench (Glory Hole) Footwall	244.16	6.20
Zopilote Trench 1	55.45	3.00
Zopilote Trench 2	37.90	1.30
Zopilote Trench 3	69.99	6.80
Zopilote Trench 4	171.74	11.50
Zopilote Trench 5	103.19	5.20

The average results for each trench are shown on the plan and longitudinal section posted on the Company's website at www.soltoro.com/CatTreJul10.pdf.

In July of 2010, a preliminary trenching program was conducted over the Soledad structure which is located between the southwest end of the Bolas structure and the Catarina structure. The following results were returned:

Structure	Trench #	Length (m)	Silver (g/t)
Soledad	Sol-T2	1.5	72
Soledad	Sol-T4	4.5	110
Soledad	Sol-T4	15.0	57
Soledad	including	4.5	68
Soledad	and	4.5	67
Soledad	Sol-T5	12.0	74
Soledad	Including	4.5	120

In late June 2010, diamond and reverse-circulation drilling were initiated in the Las Bolas Deposit area. This round of drilling was designed to test the Las Bolas deposit area at depth and to obtain suitable samples with high recoveries for subsequent metallurgical testing. Eight diamond drill holes, mostly of HQ core, and two RC drill holes were completed by late August of 2010. Results were as follows:

Section Line:	Drill Hole:	Structure	From:	To:	Width ¹ : (metres)	Silver: (gpt)
S1	DDH41 including	Las Bolas	3	175.5	172.5	46
			138	171	33	80
S2	DDH42 including including	Las Bolas	133.5	261	127.5	41
			215.5	258	42.5	70
			227	258	31	83
S4	DDH46 including including including	Las Bolas	20	279.7	259.7	50
			20	107.5	87.5	72
			140.5	156	15.5	57
			190.5	279.7	89.2	56
S6	DDH45 including including	Las Bolas	91.5	158.5	67	32
			91.5	116	24.5	39
			124.3	158.5	34.2	31
S8	DDH44 including	Las Bolas	161	240	79	44
			161	198.6	37.7	30
			207.8	240	32.2	67
S10	DDH47		181	213	32	37
S12	RC118 including	Las Bolas	202.5	256.5	54	76
			235.5	250.5	15	125
S14	RC117 including	Las Bolas	181.5	243	61.5	106
			205.5	235.5	30	172
S16	DDH48 including	Las Bolas	170.5	221	50.5	47
			170.5	181	10.5	122

¹All intervals are reported in core lengths. Drill holes DDH43 and DDH47 did not return significant values.

In July of 2010, the Company completed RC119, the final reverse circulation drill hole within the La Loma gold zone, a series of mineralized outcropping quartz veinlets previously identified by trenching. This hole did not encounter economic mineralization.

In August of 2010, the final diamond drill hole of the summer drill program, R10-49 was completed. That hole was drilled beneath the Highway Zone, the probable southern extension of the Las Bolas deposit zone. Earlier reverse-circulation drilling in 2010 at the Highway Zone defined mineralization over a strike length of 500 metres, to a vertical depth of 200 metres and extending over a maximum horizontal width near surface of over 100 metres. The diamond drill hole will permit Soltoro to upgrade the prior target deposit calculation into a resource category.

Diamond drill hole R10-49 was drilled as a twin to one of the original RC holes in order to confirm the grades and geological style of the mineralization as interpreted from the RC cuttings. The geology and the overall mineralised interval were very similar, especially if the one high-grade assay in R10-RC79 was cut to 400 g/t silver. Hole R10-RC79 intersected a comparable 67 g/t silver over 31.5 metres from 63.0 to 94.5 metres in a wider interval of 53 g/t silver over 45.0 metres from 63.0 to 108.0 metres, including a higher grade interval of 152 g/t silver over 9.0 metres from 63.0 to 72.0 metres. Uncut the higher-grade interval had an average of 95 g/t silver over this same 9.0 metre interval.

Results from diamond drill hole R10-49 and prior results for R10-RC79 were returned as follows:

Drill Hole:	Structure	From:	To:	Width ¹ : (metres)	Silver: (g/t)
R10-DDH49	Highway Zone	65.5	110	57.0	44.5
including		65.5	95.5	30.0	67
including		65.5	77.5	12.0	110
R10-RC79	Highway Zone	63.0	108.0	45.0	53 ²
including		63.0	94.5	31.5	67 ²
including		63.0	72.0	9.0	152 ²
R10-RC79	Highway Zone	63.0	108.0	45.0	72
including		63.0	94.5	31.5	95
including		63.0	72.0	9.0	248

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

²All values greater than 1000 g/t Ag are cut to 400 g/t silver

In addition to the similarity in the grade and overall length of the mineralization, both the core and the RC cuttings demonstrated that the mineralization was hosted within a body of highly brecciated, silicified and quartz veined rock within a matrix of silica and hematite, and with almost no discernable sulphide minerals. Both the brecciation and the accompanying quartz veins are of a style characteristic of epithermal mineralization, with the exception that the mineralization is totally oxidised to depth of over 200 metres, comparable in all respects to the mineralization in the adjacent larger Las Bolas deposit.

A cross section showing R10-49 and RC-79 announced above may be viewed at: <http://www.soltoro.com/projects/pdf/HZTwinDDH49RC79.pdf>

With the completion of the diamond core hole and the very comparable results to the earlier adjacent RC hole, which it twinned, the previous target deposit calculation could now be up-graded to a mineral resource estimate. Soltoro intends to complete a revised estimate in the near future for its El Rayo primary silver project to include all of the recent drilling completed on the Las Bolas deposit zone as well as the Highway Zone.

As part of the planning for the metallurgical studies, a mineralogical report was received in early August of 2010 that identified the primary silver mineral at Las Bolas as being acanthite based on scanning electron microscopy. Acanthite (also known as argentite) is the normal form of silver sulphide, the most abundant ore mineral for silver. Other minor silver minerals identified include aguilarite, a silver-selenium sulphide and the copper-silver sulphide mckinstryite. Based on the results of preliminary bottle roll tests a contract was awarded to Kappes, Cassidy and Associates ("KCA") of Reno Nevada for a metallurgical test program in order to optimize the recovery of silver on the assumption that higher recoveries could be obtained from a finer grind. Selected core was quartered with one quarter shipped to KCA for metallurgical testing. In January of 2011, KCA provided Soltoro an interim memorandum indicating further metallurgical analysis should be carried out. In February of 2011, nine quarter core samples were shipped to the University of Toronto from the new shallow diamond drill holes for further mineralogical analysis using a scanning electron microscope. On March 21, 2011, a second mineralogical report was completed and provided to Soltoro which confirmed the identification of the silver sulphide minerals previously reported as the only identifiable silver-bearing minerals. Additional material from Las Bolas is being shipped to KCA for further analysis. The Company had not received conclusive metallurgical results at the time of writing of this MD&A.

In September of 2010, the Company identified the Santa Fe prospect roughly 1 km north east of the Las Bolas deposit. At this time, ten rock samples were collected from widely scattered outcrop, float and the dumps from a few small prospect pits. The results are summarized in the table below:

Sample Number	Sample Type	Sample Length	Silver (g/t)
402	Float		9.7
403	Float		1.5
780051	Chip	1.60	0.3
780056	Chip	1.50	20.6
780057	Float		25.8
780058	Float		30.5
780059	Chip	0.80	13.1
780062	Float		32.2
780063	Float		74.9
780064	Chip	1.60	24.7

In December 2010, the Company completed four diamond drill holes at the Las Bolas deposit. These holes were intended to twin previously drilled reverse-circulation holes in order to sample the core from surface to determine the continuity of the mineralization, carry out a comparative study and to get a better understanding of the geology. (The first 40 reverse-circulation drill holes were not sampled from the surface. Only intervals that were thought to be mineralized were sampled). Results from this drilling program show that mineralization does in fact extend to surface and will contribute to reducing the strip ratio. A total of 438 metres was drilled and each hole was sampled in its entirety. Results of the drilling are presented in the table below:

Deposit Area:	Section Line:	Drill Hole:	From:	To:	Width: ¹ (metres)	Silver: (g/t)
LAS BOLAS	S3	Ray10-50	0	124.0	124	46
		including	101.8	122.0	20.2	132
		including	104.9	122.0	9.8	212
LAS BOLAS	S2	Ray10-51²	0	120.5	120.5	67
		cut value	0	120.5	120.5	59
		including	89.0	120.5	31.5	149
		cut value	89.0	120.5	31.5	118
		including	103.0	120.5	17.5	227
cut value	103.0	120.5	17.5	171		
LAS BOLAS	S3	Ray10-52	0	62.4	62.4	56
		including	29.0	62.4	33.4	89
		including	36.0	56.0	20	111
LAS BOLAS	S2	Ray10-53	0	81.0	81	45
		including	58.0	81.0	23	92
		including	73.6	81.0	7.4	148

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

²Sample 320457 from 103.0 to 104.0 m down-hole depth was cut from 1,980 g/t silver to 1,000 g/t silver.

Cross sections showing the location of the four newly drilled holes on section lines S2 and S3 along with results from previously drilled holes may be viewed on the Company's website at: <http://www.soltero.com/projects/pdf/twin2011drilling.pdf>.

A comparison of the original reverse-circulation hole and the twin diamond drill hole is presented below. A variance in grade is present, with the grade of the diamond drill hole being lower in each case. Soltero has not yet made a determination as to the cause of this variance but the Company plans to twin additional reverse-circulation holes in other portions of the Las Bolas deposit to determine if mineralization extends to the surface in those areas and to check for additional variance. A small twinning program completed in June of 2008 did not show similar variation in results.

Deposit Area	Section Line:	Drill Hole:	From:	To:	Width ² : (metres)	Silver: (g/t)
Las Bolas	S3	RC08-27 ¹	96.0	126.0	30.0	148
		Ray10-50	96.0	126.0	30.0	97
Las Bolas	S2	RC08-28 ¹	81.0	127.5	46.6	143
		Ray10-51³	82.0	127.5	45.5	94
		uncut	82.0	127.5	45.5	116
Las Bolas	S3	RC08-17 ¹	27.0	57.0	30.0	122
		Ray10-52	27.0	58.0	31.0	89
Las Bolas	S2	RC08-21 ¹	49.5	79.5	30.0	96
		Ray10-53	49.0	79.6	30.6	74

¹Previously announced reverse circulation drill hole from news release NR44

²All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

³Sample 320457 from 103.0 to 104.0 m down-hole depth was cut from 1,980 g/t silver to 1,000 g/t silver.

Also in December 2010, the Company engaged Scott Wilson Roscoe Postle Associates Inc. to provide an updated NI 43-101-compliant mineral resource estimate for the Las Bolas silver deposit to include results from the latest step-out drill holes, as well as a resource estimate for the Highway Zone.

In January 2011, the Company began a soil sampling program at Santa Fe. Six-hundred-seventy-seven (677) soil samples were collected from the “C” horizon along approximately five kilometres of strike. Samples were collected at 50 m intervals along lines spaced 100 m apart. Of the 677 samples, 8 returned values greater than 10 ppm silver with a maximum value of 55.8 ppm silver.

In January 2011, the Company began a diamond drilling program directed toward expanding the resource at the Las Bolas and Highway deposits and drill testing the Soledad structure which appears to intercept the Las Bolas structure.

Results from the Las Bolas drilling were returned as follows:

Deposit Type:	Section Line:	Drill Hole:	From:	To:	Width: ¹ (metres)	Silver: (g/t)	
Las Bolas	S04	Ray11-54	76.1	85.7	9.6	63	
			227.5	245.0	17.5	44	
			Including	227.5	231.6	4.1	78
			268.7	385.0	116.3	47	
			Including	268.7	279.5	10.8	69
			Including	285.5	289.2	3.7	102
Las Bolas	S03	Ray11-55	373.5	383.4	9.9	72	
			94.0	99.5	5.5	60	
			198.0	220.0	22.0	50	
Las Bolas	S04	Ray11-56	252.1	338.9	86.8	44	
			5.0	12.0	7.0	43	
			27.0	44.2	17.2	44	
			61.0	66.7	5.7	47	
			105.0	128.7	23.7	43	
			174.0	199.0	25.0	42	
Las Bolas	S01	Ray11-57	222.0	258.9	36.9	49	
			16.0	26.0	10.0	42	
			81.0	241.0	160.0	47	
			Including	124.0	140.0	16.0	80
			Including	210.0	241.0	31.0	81
		Including	216.0	224.0	8.0	106	

¹All intersections are reported as drilled thickness. True widths are not known at this time but are close to drilled width

Hole Ray11-58 was drilled in the Matachines area. Drilling in the Matachines area was intended to target the Las Bolas structure and the area of the intersection between the Las Bolas and Soledad structures at depth. This hole intersected significant lead mineralization, as well as weakly anomalous gold mineralization. Additional drilling is planned for this area. The results from the first hole are presented in the table below:

Deposit Area:	Section Line:	Drill Hole:	From:	To:	Width: ¹ (metres)	Au (g/t)	Ag (g/t)	Pb (%)
Matachines	S22	Ray11-58	51.5	66.5	15.0	0.08	23	4.39
			56.0	60.0	4.0	0.15	41	8.08
			72.0	77.0	5.0	0.03	14	2.67
			231.0	245.0	14.0	0.01	43	0.08

All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be close to drilled widths.

In February 2011, the Company completed 15 trenches along the newly identified Soledad structure. The Soledad structure is located southwest of the Las Bolas structure, where Soltoro has outlined a NI 43-101-compliant silver resource, and north of the northwest-trending Catarina structure, which was mined by the Spaniards beginning in the 1500's. The Soledad structure is covered by one to three metres of overburden but has been traced over 400 metres of strike length through trenching and float mapping. It is open along strike to the west and east in both directions. These trenches represent a continuation of the 2010 trenching program in which seven trenches were excavated, mapped and sampled. Results 2011 program are as follows:

Trench Number	From (m)	To (m)	Length (m)	Silver g/t
Sol-8	3.0	22.5	19.5	194
including	6.0	12.0	6.0	286
Sol-9	No significant results over 16.5 m			
Sol-10	4.5	7.5	3.0	47
Sol-11	0.0	4.5	4.5	60
Sol-12	0.0	3.0	3.0	589
Sol-13	No significant results over 20.5 m			
Sol014	No significant results over 44.5 m			
Sol-15	14.0	20.0	6.0	51
Sol-16	No significant results over 12 m			
Sol-17	4.5	7.5	3.0	51
Sol-18	No significant results over 11.5 m			
Sol-19	No significant results over 8 m			
Sol-20	0.0	10.5	10.5	67
including	1.5	7.5	6.0	88
Sol-21	19.5	21.0	1.5	47
Sol-22	7.5	15.0	7.5	37

A location map of the Soledad trench locations may be viewed at:

<http://www.soltoro.com/projects/pdf/trSoledad.pdf>.

The results of this trenching program demonstrate that the Soledad structure hosts silver mineralization over a 400 metre strike length. Drilling is underway to investigate the tonnage potential of the structure.

In March of 2011, four diamond drill holes were completed on the Soledad structure. Drill hole Ray11-60 intersected high-grade silver over significant widths in a near-surface ore shoot. The previously untested Soledad structure is located southwest of the Las Bolas structure and north of the northwest-trending Catarina structure, where high-grade silver ore shoots were mined by the Spaniards beginning in 1546. Mineralization from the Soledad structure could add significant tonnage to the existing NI 43-101-compliant silver resource outlined at Las Bolas. Results for the first three holes drilled returned the following values:

Drill Hole	From	To	Width ¹ (metres)	Gold (gpt)	Silver (gpt) Uncut	Silver (gpt) Cut ²
Ray11-59 including	58.5	68.7	10.2	0.02	78	78
	66.0	68.7	2.7	0.08	203	203
Ray11-60 including including	26.0	47.6	21.6	0.10	388	286
	40.6	47.6	7.0	0.27	1,010	695
	40.6	42.5	1.9	0.59	2,160	1000
including	59.7	66.6	6.9	0.09	527	511
	65.0	66.6	1.6	0.15	1,070	1000
Ray11-61 including	48.1	54.5	6.4	0.02	164	124
	49.1	49.7	0.6	0.09	1,420	1000

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

²All values greater than 1,000 g/t silver cut to 1,000 g/t silver.

At Soledad, mineralization is hosted within a sub-horizontal intermediate to mafic volcanic unit consisting of massive flows and interbedded fragmental units of similar composition. The mineralization is associated with strongly hematite-altered structures in association with quartz-calcite veins as part of wider intervals of highly sheared and brecciated volcanic wall rocks. Minor amounts of visible sulphides, including chalcopyrite and pyrite and their oxidation products, are also present. Anomalous lead and zinc values returned are likely related to minor amounts of galena and sphalerite. The structural relationship between the two mineralized intersections in hole Ray11-60 and the one mineralized intersection in hole Ray11-61, which is beneath it (see sections in web link below), is not clear. All three intersections occur at shallow depths.

In April, 2011 hole Ray11-65 was drilled as an offset hole to Ray11-58, which was drilled earlier in the year. Hole Ray11-65 returned significant Pb values as well as Ag and Au. Results are presented below:

Deposit Area:	Section Line:	Drill Hole:	From:	To:	Width: ¹ (metres)	Au (g/t)	Ag (g/t)	Pb (%)
Matachines	S22	Ray11-65	159.0	184.3	25.3	0.14	44	8
			159.0	168.0	9.0	0.29	89	18
			160.9	165.3	4.4	0.53	128	33

¹All intersections are reported as drilled thickness. True widths are not known at this time.

Also in April, two holes were drilled in the Highway Zone. Holes Ray11-63 and Ray11-64 were drilled to test the geologic concept that mineralization encountered in the upper part of hole RC-88 (15.0 m averaging 57 g/t Ag beginning at surface) represented a splay of the Soledad structure at the Highway Zone. Both holes encountered shallow mineralization that appears to correlate with shallow mineralization encountered in hole RC-88 however, the character of the mineralization suggests that it is

not related to the Soledad structure but instead, represents a previously unknown mineralized structure. Results are presented in the table below.

Drill Hole	From	To	Width ¹ (metres)	Silver (gpt)
Ray11-63	46.1	51.5	5.4	86
	162.0	189.0	27.0	39
including	162.0	169.5	7.5	61
including	183.5	189.0	5.5	42
Ray11-64	37.0	41.0	4.0	60
	98.3	106.0	7.7	22

¹ All intersections are reported as drilled thickness. True widths are not known at this time.

In June of 2010 an NI 43-101 silver resource on the bulk-tonnage Las Bolas and Highway Zone structures was provided to Soltoro Ltd. The resource estimate was prepared by Roscoe Postle & Associates Inc. (“RPA”) and represents more than a two-fold increase in contained ounces of silver over the previous estimate completed in 2010.

The estimated resources are based on a silver price of US \$27.00/ounce and a metallurgical recovery of 74% of the contained silver with minimum block sizes of 5 metres vertical. The resource classifications are based upon the CIMM definitions. Cut grades were determined by truncating all assays above 400 g/t silver to 400 g/t silver.

The Mineral Resources are reported at the cut-off grade of 40 g/t silver, as recommended by the independent consultant. Tonnage and average grade estimates were reported as follows:

Las Bolas & Highway Zone Deposit Silver Resource				
Deposit Area	Cut-off grade (Silver g/t)	Tonnes (millions)	Average Grade (Silver g/t)	Contained ounces of Silver
Measured Mineral Resources				
Las Bolas	20	5.90	63.86	12,100,000
Indicated Mineral Resources				
Las Bolas	20	24.20	51.17	39,900,000
Highway Zone	20	3.50	56.54	6,300,000
Total Measured and Indicated Resources				
Las Bolas & Highway Zone	20	33.60	54.00	58,300,000

Inferred Mineral Resources				
Highway Zone	20	0.20	44.34	300,000

Notes:

1. CIM definitions were followed for Mineral Resources
2. Mineral Resources were estimated using prices of US\$27/oz Ag. No credits are assigned for other metals.
3. Metallurgical recovery is assumed to be 74% of the contained silver.
4. High silver values are cut to 400 g/t Ag.
5. The Las Bolas deposit is modeled at a minimum of 5 m true thickness of mineralization.
6. The numbers for tonnage, average grade and contained ounces of silver are rounded figures.
7. The above resources are constrained by a Whittle optimized pit shell and constitute 87% of the modelled mineralization is with a conceptual open pit for the Las Bolas Structure and 64% for the Highway Zone.

The Company has also been investigating the gold potential at the north end of the El Rayo structure. Previous drilling had identified a gold zone one kilometre in strike length. At a pit discard cut-off grade of 0.35 g/t Au, the resource estimate for the northern most 250 metres of the gold structure is reported by RPA as follows:

El Rayo Northern Zone Gold Resource				
Deposit Area	Cut-off grade (g/t Au)	Tonnes (thousands)	Average Grade (g/t Au)	Contained ounces of Gold
Indicated Mineral Resources				
El Rayo North	0.35	380	1.85	22,600
Inferred Mineral Resources				
El Rayo North	0.35	365	1.61	18,900

Notes:

1. CIM definitions were followed for mineral resources;
2. Mineral Resources were estimated using prices of US\$1,300/oz Au. No credits were assigned for other metals.
3. Metallurgical recovery is assumed to be 90% of the contained gold.
4. The Rayo Extension deposit is modeled at a minimum of 5 m vertical thickness of mineralization.
5. The numbers for tonnage, average grade and contained ounces of gold are rounded figures.
6. The above resources are constrained by a Whittle optimized pit shell.

A copy of the NI 43-101 Technical Report will be available on the SEDAR website within 45 days of the June 14, 2010 news release announcing the resource estimate. The mineral resources were estimated by Hrayr Agnerian, M.Sc. (Applied), P.Geo., Associate Principal Consulting Geologist with RPA. Mr Agnerian is the Qualified Person for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators, and has verified the data disclosed in this release.

Drilling continued at Soledad in May 2011 and a second drill was contracted to carry out further exploration drilling. Results received for six holes were released by the time of writing of this MD&A and are presented below. The highlight of this phase of drilling at Soledad is hole Ray11-68 where a 43.7 m interval averaging 300 g/t Ag uncut, and 234 g/t Ag cut, was encountered. These results reflect the strength and continuity of mineralization along the structure.

Drill Hole	From	To	Width¹ (metres)	Gold (gpt)	Silver (gpt) Uncut	Silver (gpt) Cut²
Ray11-62	90.5	97.6	7.1	0.02	122	122
including	94.1	95.7	1.6	0.01	245	245
Ray11-66	19.2	62.9	43.7	0.05	222	217
including	35.0	39.8	4.8	0.06	446	446
including	59.5	62.9	3.4	0.08	730	670
including	60.5	61.7	1.2	0.07	1,170	1,000
Ray11-67	24.0	33.0	9.0	0.03	82	82
Ray11-68	51.3	95.0	43.7	0.04	300	234
including	86.0	95.0	9.0	0.05	738	414
including	87.3	88.5	1.2	0.15	1,840	1,000
including	91.9	92.9	1.0	0.05	2,910	1,000
Ray11-69	46.5	51.4	4.9	0.03	84	84

	66.6	120.3	53.7	0.02	115	115
including	71.0	72.5	1.5	0.22	565	565
including	117.5	120.3	2.8	0.03	297	297
Ray11-73	36.2	69.7	33.5	0.10	198	198
including	40.7	52.5	11.8	0.112	317	317
including	48.0	49.6	1.6	0.160	921	921
including	68.6	69.7	1.1	0.294	777	777

¹All intersections are reported as drilled thickness. True widths are not known at this time. ²All values greater than 1,000 g/t silver cut to 1,000 g/t silver.

A drill hole location map, sections and photos of the drill core from the Soledad structure may be viewed at: <http://www.soltoro.com/projects/pdf/DHApr19Soledad.pdf>

Soltoro continues to carry out resource expansion drilling at El Rayo to expand the existing silver resource.

La Tortuga Copper Gold Potential I.O.C.G. Project

The La Tortuga project is located in the State of Jalisco approximately a 3 hour drive south-west of Guadalajara by paved highway and dirt road. A large portion of the property formed part of the National Mine Reserve in Jalisco before denationalization in 1993. The Property is located in the same region as El Rayo. In May 2006, the Company completed a National Instrument 43-101-compliant report on the property which was filed with the TSX Venture Exchange in August 2006. The Company received title to four concessions and staked an additional concession totalling 14,331 hectares. The Company holds a 100% interest in the titled concessions and was the sole applicant for those under application.

Mining was last carried out on the La Tortuga property at the turn of the 19th century by Americans working at the historic Las Garrochas gold-silver mine and the Macuchi silver-copper mine. More recently, from 1993 to 1998, surface trenching, geochemical surveys, geophysics, a fluid inclusion study and a reverse circulation drill program outlined several zones of mineralization. The Company's exploration programs at La Tortuga were designed to determine whether a large mineralized porphyry copper type deposit is responsible for the various styles of mineralization seen on the property.

In 2006 and 2007, the Company completed Induced Polarization ("I.P.") surveys covering 102 line-km which outlined a 4 km by 0.6 km I.P. anomaly. In November 2007 an additional 10 line-km pole-dipole I.P. survey was completed over a portion of a 4 km by 0.6 km chargeability anomaly identified in the earlier program in order to more precisely define source depth of these chargeability anomalies. The Company retained Sumiko Consultants of Japan to complete 2D inversions of the I.P. data. Samples collected from mapping were stained to evaluate the extent of potassic alteration on the property, and the results outlined an anomalous area immediately to the west of an area known as Papagayo ridge. This potassic alteration zone coincides with the strongest area of pole-dipole chargeability. Subsequently, a diamond drill program was carried out to test what were considered the most favourable targets for porphyry copper-gold mineralization in the area of Papagayo ridge.

Drilling of the area of Papagayo ridge area in January to March 2008 totaled 2,005 metres in five holes. These holes intersected extensive potassic alteration of intrusive rocks which had been affected by at least five phases of fracturing, brecciation and quartz veins. No copper mineralization was encountered, with the chargeability anomalies likely caused by disseminated pyrite.

In November of 2007, reconnaissance mapping and sampling of the Lauralito Area, on the south-east extension of the La Tortuga claim, 10 km to the east of Papagayo Ridge, identified a 10 square kilometre copper-gold zone which was considered to be favourable for porphyry style mineralization. Four channel samples and two samples from surface dumps returned over 1% copper. A sample from a historic dump

at El Macho contained 3.7% copper, while a channel sample over 2 metres from the Natividad Prospect assayed 2.73% copper. A 1.2 metre chip sample from a prospect known as Labor del Cerro returned 12.6 gpt gold, 1.32 % copper and 18.4 gpt silver. These prospects extend over a 4.5 kilometre long trend which straddles a large magnetic high in an area of outcrops of granodiorite and diorite intrusions. In April 2008 an I.P. survey over 32.5 line-kilometres in the Lauralito zone outlined weak chargeability anomalies, none of which were considered to be of sufficient size to justify drilling.

In the third and fourth quarters of 2008, follow-up mapping and sampling were completed in the historic Las Garrochas and Macuchi mine areas with a view to drilling beneath the shallow working in order to locate a significant copper deposit. In October 2008, three lines of pole-dipole I.P., each 2 km long were completed in the area of the historic Las Garrochas mine where earlier I.P. surveys had identified a zone of chargeability anomalies. The Las Garrochas and Macuchi mines were last mined at the turn of the 19th century for gold and silver. Significant copper assays up to 9% copper have been obtained from both from mapping, sampling and drilling from the 1990's by companies other than Soltoro as well as from Soltoro's sampling programs.

Geological mapping at Las Garrochas identified additional intrusive phases. Several significant chargeability anomalies were located along the third I.P. line north-east of Las Garrochas mine. Mapping and sampling at Macuchi, outlined two separate zones of hematite-matrix mega-breccia with specularite, indicating the possibility for iron-ore-copper-gold mineralisation ("I.O.C.G.") on this part of the property. Two third party consultants visited the property and confirmed the I.O.C.G. potential following which the Company decided to drill seven diamond holes, three to test Las Garrochas area and four holes to test the I.O.C.G. target in the Macuchi area.

Of the three holes at Las Garrochas, two were to explore the chargeability anomaly at a depth of 300 metres, while the hole to test below the historical mine at a depth of 500 metres. Two diamond drill holes were completed at Las Garrochas. They intersected substantial pyrite, thereby explaining the cause of the I.P. chargeability anomaly, but failed to locate any copper mineralization. The third hole was never drilled.

In January and February 2009, the Company tested the potential at depth in the area of the historical Macuchi mine for more extensive I.O.C.G. mineralization. A total of 1,005 metres of core drilling was completed in four holes which intersected several specularite hematite-matrix mega-breccias. Hole Mac09-03 intersected a narrow intervals with specularite veins with gold, silver and copper as follows:

Drill hole	Sample	From	To	Width ¹ (metres)	Gold- gpt	Silver- gpt	Cu %
Mac09-03	697390	223.0	225.0	2.0	0.318	0.7	0.04
Mac09-03	697394	230.0	231.5	1.5	0.045	35	1.74

¹All intersections are reported as drilled thickness. True widths are not known at this time but are believed to be similar to drilled widths.

In July 2009, a geophysical operator was contracted to carry out 80 line kilometres of ground magnetics over the Macuchi area in order to better understand local structures and their relationship to the magnetic rocks, as well as the potential of the area for I.O.C.G. style mineralization. Results of this magnetic survey were received on November 23, 2009 and are being evaluated by the Company to help guide future work. The Company is seeking a joint venture partner to carry out further exploration on the property.

Quila Bulk Tonnage Copper Gold Silver Project

In June 2006, the Company staked the Quila concession, located east of the La Tortuga project, to cover numerous bornite veins, south-east trending magnetic highs and numerous historical silver/lead exploitation areas south-east of the Magistral mine. Title to the 22,428 hectare Quila concession was granted in December 2006.

In September 2007, the Company was provided an exploration report which included mapping, sampling and the results of an I.P. survey carried out by a JV partner. Drilling later tested a 1.5 km by 0.5 km chargeability anomaly. A former JV partner completed hole 07QU-01 on the Quila claim in early 2008, which intersected several intervals of moderate to strong argillic alteration and pyrite.

Additional drilling targeted the El Texcalame area where two drill holes were completed for a total of 418.4 metres. Drilling intersected a strongly fractured zone over 90 metres containing traces of chalcopyrite, bornite and native copper throughout the interval and returned 1 to 7.8 metre thick intervals of strongly anomalous copper ranging from 0.1% to 0.6%.

The Altavista prospect is underlain by widespread hematite-specularite breccias with variable quartz-chlorite alteration and associated gold and copper mineralization that can be traced in outcrop, float and soil sampling for over a 350 metre strike-length. Two drill holes, which tested a 100 metre strike length of this east-west-trending target returned significant intervals (up to 10 metres thick) of strong hematite-quartz and chlorite breccias. These are similar in appearance to surface exposures which returned multi-gram gold values from channel and chip sampling.

The styles and distribution of alteration and mineralization throughout the entire Quila concession, and particularly the association of copper and gold mineralization with iron-oxides such as hematite, specularite and magnetite indicate a large-scale I.O.C.G.-style target. Within this framework the former JV partner concentrated its exploration activity on five favourable areas in the northern part of the Quila concession, namely Altavista, Texcalame, San Jose de Pena, Minas de Claudio and Los Copales. The gold, silver and copper mineralization in these areas was to be explored by detailed mapping, sampling and ground geophysical surveys, to be followed by diamond drilling.

On January 13, 2010, the Company received notification the JV was terminated and was subsequently provided a JV report.

On November 23, 2010, Timmins Gold optioned the eastern portion of the Company's Quila claim with a view to expanding the surface oxide gold discovery made at Cocula. The Company's 22,428 hectare Quila concession surrounds the 234 hectare Cocula claim where prior drilling by owner Timmins Gold made an initial oxide gold zone discovery. The 22,428 hectare Quila claim was staked by Soltoro to cover roughly two thirds of a 25 km mineralized magnetic trend. Timmins Gold's Cocula property is a 234 hectare pre-existing internal claim surrounded by Soltoro's Quila claim. In February of 2009, Timmins Gold announced assay results of a 26 hole, 1,974 metre reverse circulation drill program carried out at Cocula. Highlights of the program were reported as follows: "Hole RCC-01 which intersected 1.30 g/t gold and 13 g/t silver across 37.5 metres from surface, including 9.40 g/t gold and 22 g/t silver across 4.5 metres. Hole RCC-10 intersected 1.20 g/t gold and 13 g/t silver across 37.5 metres from surface. The drill program has identified a bulk tonnage target with a potential low strip ratio." The Cocula discovery occurs on the eastern flank of a magnetic high within the 25 km magnetic trend.

On November 23, 2010, Timmins Gold optioned the eastern portion of Soltoro's Quila concession (the "Property"). Timmins Gold may earn 100% interest in the Property by making a total of US\$1,000,000 in cash payments and incurring US\$2,000,000 in exploration expenditures on the Property over 3 years. On signing Timmins Gold made an initial US\$100,000 payment to Soltoro. Once Timmins Gold has earned its 100% interest in the Property, a 3% net smelter return (NSR) royalty is payable to Soltoro from

Timmins Gold's operations within the Property's external boundary including the Cocula claim, and any further internal claims acquired by Timmins Gold within the Property and within a 2 km area of interest to the north and east of the original Quila property boundary. Timmins Gold may acquire 1/3 of the royalty (equal to 1% of the NSR) for US\$1 million and a further 1/3 of the royalty (equal to an additional 1% of the NSR) for an additional US\$1 million up to six months from the date of commencement of commercial production.

A location map showing the Quila claim, the portion optioned to Timmins and the internal Cocula claim can be viewed at:

<http://www.soltoro.com/projects/pdf/TMMoptionground.pdf>

The Company has retained roughly 45% of the surface area of the Quila claim located to the west of Timmins Gold's option which is excluded from the option agreement. This area covers a portion of the mineralized magnetic trend including the Company's Texcalame zone. In 2008, drilling intersected a strong fracture zone over 90 metres in length containing traces of chalcopyrite, bornite and native copper. The styles and distribution of alteration and mineralization and particularly the association of copper and gold mineralization with Fe-oxides such as hematite, specularite and magnetite indicate the exploration potential for a large scale iron oxide copper gold target.

El Santuario Gold Project

On November 10, 2006, the Company received 100% title interest to the 2,000 hectare El Santuario property in the Cardinal mining district in the state of Hidalgo, to cover the historic San Clemente gold district. The San Clemente district is located approximately 70km NW of Pachuca, which is the largest silver and second largest gold mine in Mexico having produced over 1.1 billion oz. of silver and 7 to 10 million Oz. of gold. Access to the property is very good with paved highways reaching both the east and west sides of the property and electric power servicing the small towns also located on the east and west sides. The property is at an elevation of between 2200 and 2700 amsl and has a climate that is workable year round.

Numerous old gold mines are distributed across the property as well as a dozens of prospect pits. The last mine worked was the San Severano Mine during the 1950's which operated continuously for 6 years, milling the material at the mouth of the adit, then packing out the crushed material by mule train. The adit to San Severano is almost completely blocked by talus from the slope above, but could easily be reopened. Other mines in the zone closed earlier and are partially collapsed now. The area was put into a National Mineral Reserve in the 1970's and extensive mapping and sampling was completed by the Consejo de Recursos Minerales in the early 1980's. The Company has acquired some, but not all, of the old reports from this work period.

A six day initial geological program was completed at Santuario in January 2007 to locate old workings and collect orientation samples to confirm data from historic government reports. Results from the survey returned values up to 10.2 gpt gold. Half the samples showed a strong bias towards coarse gold in metallic screen assaying. Coarse gold is traditionally difficult to reproduce reliably in assays and large sized samples will be needed to properly assay the gold mineralization at Santuario. Mapping provided understanding of the controls on the structural system hosting the mineralization and recognition that the mineralization trends off the claim block to the NE. The "Sant" 1,200 hectare claim was subsequently staked to cover the strike extension of the mineralized zone. Title to the Sant claim was granted on October 30, 2008.

In April of 2009, a follow-up geologic mapping and sampling program was completed at Santuario to confirm reports from locals that visible gold has been observed in areas outside the known mine areas. The program confirmed that there are numerous prospects and other old mines outside the previous known area of approximately 600m by 600m. The area of known mineralization now extends about 3km northeast-southwest to the northern side of the property within the newly titled Sant claim. The mineralization was found to be related to a series of rhyolite dikes that cuts the host andesite package and a possible rhyolite flow dome. A series of stream sediment samples were collected to help identify new areas of mineralization along with a number of rock samples from the newly located mines. Results confirm that mineralization continues outside of the previously known area into a soil covered area with no workings. Soil sampling is being planned to follow-up in this newly prospective area. In August of 2009, a third party consultant was retained to produce an independent geological report on the area. A final report was completed in September of 2009. The report was produced to be used in conjunction with seeking a joint venture partner for the property.

Chinipas Gold Project

On February 6, 2008, the Company received 100% title to the 1,371 hectare Chinipas property and on July 14, 2009 received 100% title to an additional 50 hectare internal concession to hold a total 1,421 hectares in the state of Chihuahua. The property is located in the western portion of the Sierra Madre Occidental, one of the worlds' largest and most prolific epithermal gold and silver belts. The Chinipas Property is located 14km north-northeast of the town of Chinipas and 16km north-northwest of the new Palmarejo Au-silver Mine. The property can be accessed year round on gravel roads from Chinipas. The town of Guadalupe de Victoria is on the north boundary of the claim and has a serviceable airstrip for small plane access. The local town also provides local labour for working on the project. Local prospectors have worked a few prospect pits where they have extracted coarse visible gold.

In March 2007, an orientation sampling program was conducted at Chinipas to assess the style of mineralization and to determine its lateral extent. Gold was found to be hosted in tourmaline-e and pyrite-bearing quartz veins and veinlets over a strike length of over 3km. Sampling returned values up to 17.65 gpt gold, in a 15cm chip sample, and 5.43% copper and 110 gpt silver respectively from two mine dump samples.

In February of 2009, a follow-up mapping and sampling program was completed. The property is located in the Lower Series of the Sierra Madre Occidental which is a series of andesite flows intercalated with rhyolite flows and volcanoclastic units. This sequence has been intruded by multiple intrusive units. Mapping confirmed that the veining occurs over 3.4km of strike trending roughly northeast-southwest by about 500m in width and is hosted in a quartz feldspar porphyry intrusive. The veins vary from very narrow to 10's of cm in width and while there is a prominent direction to the larger veins, there are extensive zones of veinlet stockworks between those larger veins. The host intrusive is also frequently silicified. The intrusive appears to be fault bounded and has zones of iron skarn developed along the contact zone in the southwest and along parts of the north boundary. Locally, the iron skarn is gold-bearing, though little sampling has been done to confirm the continuity or extent of that style of mineralization.

Highlights of the sampling program are shown in the table that follows:

Sample #	Sample Type	Gold-gpt
691717	2m channel	2.92
691755	3m x 3m panel	0.83
691759	3m x 3m panel	2.41
691763	Grab	3.15
691764	4m x 2m panel	0.86
691811	1.3m channel	2.49

In July 2009, the Company conducted a new mapping and channel sampling program to test the distribution of coarse gold within the tourmaline quartz veinlets. All 29 samples collected returned anomalous values with the two highest samples returning 1.58 gpt gold across 2m and 2.23 gpt gold across 2m in diamond saw cut channel samples.

In May, 2001 Soltoro commenced a drilling program designed to test the bulk tonnage gold potential at Chinipas. Four diamond drill holes, totalling 2,000 metres, are planned for the first phase of drilling. These diamond drill holes are being completed to test the bulk tonnage potential of the property. The program is expected to be completed before the rainy season begins in Mexico.

Coyote Silver Gold Project

On January 25, 2008, the Company received title to the 852 hectare Coyote concession. On May 12, 2008 an option agreement was signed to acquire 3 internal concessions within the “Xela” concession totalling 200 hectares. These concessions along with the “Xela” concession are referred to as the “Coyote” concessions. Under the terms of the option agreement, US\$20,000 was paid on signing with a further cash payment of US\$20,000 required to effect the transfer of the internal concessions. From time to time the agreement has been extended where a total consideration of US\$15,000 was paid by May 12, 2010. On December 10, 2010, Soltoro acquired 100% of the internal claims by making an additional US\$5,000 payment to the vendors to complete the transfers of the internal claims. Soltoro is obliged to pay a further US\$200,000 in advance royalty payments over 4 years from the date of transfer to retain the internal concessions. A 2% net smelter return (NSR) royalty is payable to the vendor upon commercial production. Soltoro may at any time purchase ½, or 1% of the NSR for US\$400,000 and apply the payment to the advance royalty payments.

The Coyote concession is a drill-ready silver-gold project where the series of known vein systems cumulatively extends for over 5 kilometers in five principle veins.

Initial sampling by Soltoro returned the following selected values:

Sample #	Channel Length (m)	Gold-gpt	Silver-
755005	1.65	1.020	110
755010	1.4	0.238	216
755011	0.9	0.190	188
755012	1.0	0.095	71
755013	1.1	0.123	656
755014	1.0	0.055	108
755015	1.2	0.232	327
755016	1.7	0.135	406
755017	2.2	0.125	102
755018	1.6	0.022	107
755019	1.15	0.044	250
755020	0.8	0.017	133
755021	1.6	0.171	268
755022	1.9	0.045	294
755023	1.0	0.049	189
755024	1.85	0.127	142
755025	1.75	0.056	346
755026	1.9	0.465	189
755027	1.9	0.016	89
755037	2.0	0.070	101
755038	2.8	0.431	124

At Coyote, the El Tajo mine was the largest former silver producer in the area. El Tajo was mined from around 1890 through to 1915. Two other underground mines are known on the property in addition to numerous smaller surface workings. Mineralization at the Coyote Project is predominantly silver with lesser gold values hosted in banded and brecciated quartz veins. The mineralized zone extends roughly over a 2.5 km by 2 km area. Mineralization exists over at least a 100m vertical distance.

A mapping, trenching and channel sampling program over the vein systems was completed in September 2008 and returned the following select results:

Trench #	Area	Chip Sample (Width in Metres)	Gold (gpt)	Silver (gpt)
1	San Rafael	1.40	0.03	167
2	San Rafael	2.70	0.06	228
3	San Rafael	2.00	0.16	168
4	San Rafael	1.00	0.35	224
5	San Rafael	12.75	0.10	126
6	San Rafael	0.80	0.13	284
7	San Rafael	3.55	0.09	191
8	San Rafael	3.50	0.01	282
9	El Tajo Sur	2.00	0.35	122
10	Florida	1.00	0.42	123
11	El Tajo	1.60	0.33	427
12	El Tajo	0.55	0.46	176
13	El Tajo	0.90	0.04	117
14	El Tajo	0.75	1.78	348
15	El Tajo	2.00	0.15	445
16	El Tajo	2.40	0.15	440
17	El Tajo	1.40	0.24	216
18	El Tajo	1.65	1.02	110
19	El Tajo	2.10	0.11	199

20	El Tajo	0.30	0.27	364
21	El Tajo Norte	1.90	0.07	164
22	El Tajo Norte	1.10	0.28	145
23	La Manuela	0.80	0.02	133
24	La Colorada	0.50	0.03	184
25	La Colorada	1.10	0.04	250
26	La Colorada	1.50	0.14	272
27	Florida	1.50	0.18	270
28	Florida	2.90	0.18	373
29	Florida	1.50	0.21	187
30	Florida	1.70	0.29	179
31	Florida	0.80	0.06	144
32	Florida	0.40	0.02	140
33	Florida	1.10	0.22	348
34	Florida	0.90	0.05	481
35	Florida	0.45	0.04	302
36	Florida	0.60	0.00	175
37	Boca Ancha	1.50	0.28	498
38	Boca Ancha	3.00	0.07	191
39	Boca Ancha	2.00	0.26	223
40	Boca Ancha	2.00	0.37	172

On April 26, 2011 the Company entered into an option agreement with Argentum Silver Corp (“Argentum”) whereby Argentum may earn a 100% interest in the Victoria and Coyote silver gold projects by paying \$255,000 in total cash payments, issuing an aggregate 5,000,000 common shares of Argentum and spending a total of \$1.1 million on exploration over 2 years. The earn-in period can be accelerated at the discretion of Argentum. Soltoro retains a 3% net smelter return (“NSR”) royalty interest in each project. Argentum may acquire 1/3 of the royalty (equal to 1% NSR) for US\$1.5 million for each project, or US\$3.0 million in total. Argentum may also acquire a further 1/3 of the royalty, or a maximum of 2/3 (equal to 2% NSR) on the forgoing terms. On March 8, 2011 Argentum paid Soltoro a non refundable deposit of \$35,000 pursuant to a letter of intent. On April 28, 2011 the transaction was approved by the TSX Venture Exchange and pursuant to the option agreement Argentum paid \$100,000 and issued 1.5 million common shares of Argentum to Soltoro. The common shares are subject to a four month hold period which expires on August 29, 2011.

Victoria Project

The Company holds 100% title interest the 10,985 hectare Victoria concession in Jalisco state. A brief field program carried out in April, 2009 returned a strong gold-in-soil geochemical anomaly along the northern extension of the historic Lupita gold-silver mine. One soil sample assayed 1.23 gpt gold, while flanking samples outlined the overall anomaly. A follow-up program was completed in order to further delineate the extent of this target which together outlined gold anomalies over a strike length of approximately 500 metres, corresponding to quartz float observed in the soil. Two collapsed old workings were located in the area of the anomaly, confirming the source of the quartz. The Company has received approval from the applicable government environmental agency for drilling in this area.

On March 2, 2010, Soltoro Ltd. acquired 100% of the Lupita Mine property by making a US\$25,000 payment on signing, agreeing to advance royalty payments totalling US\$535,000 over 10 years and granted a 2% NSR payable to the vendor. Soltoro may at anytime purchase 1% of the NSR for US\$1,000,000 and apply any advance royalty payments made to the buy-out. During the year the Company made an advance royalty payment of US\$10,000 (2009 - \$nil).

The Lupita Mine claim is internal to the Victoria Project and increases the project's area to 11,105 hectares.

In April of 2010, Company geologists visited to the property in order to prepare for a diamond drill program to test the gold-in-soil anomaly area, below the historical Lupita Mine and possibly to test a mineralized outcrop located south of the Lupita Mine. On April 29, 2010, Company geologists began a diamond drill program to test the gold-in-soil anomaly area located approximately 800 metres north of the historic Lupita Mine. Four holes were completed along that structure with a fifth drill hole (Vic10-05) completed which intersected below the workings of the historic Lupita Mine to test the potential at depth. Additional mapping and sampling was also completed on surface and in the first level at the historic Lupita Mine. A total of 1,354 metres of drilling was completed and returned the following results:

Drill Hole:	From:	To:	Interval:	Gold: (gpt)
Vic10-01	72.8	74.0	1.2	1.975
Vic10-01	74.0	75.2	1.2	0.378
Vic10-02	28.0	24.5	1.5	1.355
Vic10-02	31.0	32.5	1.5	0.232
Vic10-03	268.5	270.0	1.5	1.105
Vic10-03	270.0	271.5	1.5	0.563
Vic10-03	271.5	273.0	1.5	0.611
Vic10-04	103.5	105.0	1.5	0.325
Vic10-04	109.0	111.0	2.0	0.758
Vic10-05	233.0	234.5	1.5	1.010

The Company was unable to locate any significant mineralization on the north-east extension or below the historic Lupita Mine.

On October 25, 2010, the Company completed a US\$10,000 advance royalty payment to the vendor. A regional mapping program is being considered to locate further mineralized prospects with similar features as the Lupita Mine.

On April 26, 2011 the Company entered into an option agreement with Argentum Silver Corp ("Argentum") whereby Argentum may earn a 100% interest in the Victoria and Coyote silver gold projects by paying \$255,000 in total cash payments, issuing an aggregate 5,000,000 common shares of Argentum and spending a total of \$1.1 million on exploration over 2 years. The earn-in period can be accelerated at the discretion of Argentum. Soltoro retains a 3% net smelter return ("NSR") royalty interest in each project. Argentum may acquire 1/3 of the royalty (equal to 1% NSR) for US\$1.5 million for each project, or US\$3.0 million in total. Argentum may also acquire a further 1/3 of the royalty or a maximum of 2/3 (equal to 2% NSR) on the forgoing terms. On March 8, 2011 Argentum paid Soltoro a non refundable deposit of \$35,000 pursuant to a letter of intent. On April 28, 2011 the transaction was approved by the TSX Venture Exchange and pursuant to the option agreement Argentum paid \$100,000 and issued 1.5 million common shares of Argentum to Soltoro. The common shares are subject to a four month hold period which expires on August 29, 2011.

Gavilan Concession

On August 29, 2006, the Company received 100% title interest to the 780 hectare Gavilan concession located in the San Joaquin district in the state of Queretaro. The Gavilan prospect was staked, based on historical reports, to investigate the potential for the area to host zinc-silver-gold replacement and skarn mineralization. A limited geological reconnaissance program was completed in 2006 to identify mineralized areas and evaluate the style and extent of alteration.

Peña Grande Concession

On December 7, 2006, the Company applied for a 31,669 hectare claim in the state of San Luis Potosi. The claim consists of alluvium-filled valleys and isolated mountain ranges, which hosts a strong magnetic high that is thought to be prospective for a Peñasquito-style of deposit. In 2007, ASTER data was acquired over the property area which identified numerous areas of silicification, clay alteration and iron alteration. A preliminary evaluation was completed in June 2009 which identified a number of metallic and non-metallic prospects within the Company's concession. Metallic prospects include gold-bearing dikes and silver-lead-zinc-bearing veins and skarns. Non-metallic prospects include clay and marble.

In July, 2010, a follow up mapping and sampling program was conducted over the central portion of the Peña Grande property. The initial assessment determined that much of the alluvium-covered valley is underlain by variable amounts of fluvial and lacustrine sands and gravels overlain by wind deposited sediments. As all three types of material are transported from some distance away a geochemical method was selected which has the potential to see through this transported material and detect anomalies related to the underlying bedrock. Biogeochemical sampling of mesquite branches was determined to be the most appropriate method for this area.

On October 1, 2010, the Company made application for the Peña-1, 15,857 hectare claim and Peña-2 21,795 hectare claim. These areas were staked to cover the strong magnetic high west of the Peña Grande property. The Company will not receive the entire area covered by the staking as several small internal claims will slightly reduce the ground to be titled to the Company.

In February of 2011, the Company contracted a third party to complete a report to assemble and detail all of the historical mineral exploration that has taken place within the Peña Grande titled property and the Peña-1, Peña-2 application areas. This report was presented in early April of 2010 and will be used internally to design an exploration program to begin assessing the potential for the property to host a Peñasquito-style mineralized diatreme. The Company plans to undertake a mapping and sampling program in 2011 while seeking a partner to explore the property.

Margarita Concession

On April 22, 2009, the Company received 100% title interest to the Margarita Fracc I and Margarita Fracc II concessions covering a total 1,500 hectares adjacent to the historic Tiamaro mine in the state of Michoacan. Tiamaro is located in a prospective copper district. A brief sampling program was carried out in September 2008 with a third party consultant where quartz veins and quartz veinlet stockworks hosting chalcopyrite mineralization were noted on the Tiamaro property.

Additional Staking

On June 25, 2010, the Company entered into a staking competition for a series of claims north of El Rayo in Jalisco state that had been published as coming open for staking by the government of Mexico 30 days

prior. The Company was successful in obtaining the El Tecolote property covering 2,250 hectares, the El Tecolote 3 property covering 801 hectares and the San Pedro property covering 2,880 hectares. A legal survey must be completed, submitted and approved by the government before title is granted. The Company has not received title to any of these properties.

On June 25, 2010, the Company entered into a staking competition for the El Tecolote and El Tecolote 3 claims covering a formerly titled area which had been published as coming open for staking by the government of Mexico. Soltoro was awarded the El Tecolote property and the El Tecolote 3 property subject to submitting a legal survey to the government of Mexico for final approval and the granting of title.

Mr. Steven T. Priesmeyer, C.P.G., Vice President of Exploration for Soltoro Ltd. and a qualified person as defined by NI 43-101 has reviewed the contents of this MD&A. During the quarter, field supervision of the El Rayo project was provided by Mr. Patrick Toth, P. Geo., Vice President of Operations, Soltoro Mexico.

EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are broken down as follows:

	Three months ended		Cumulative to date
	March 31, 2011	March 31, 2010	March 31, 2011
	\$	\$	\$
El Rayo Property	574,636	624,315	4,935,449
La Tortuga Property	25,603	28,947	570,917
Quila Property	12,968	11,913	(32,667)
Gavilan Property	9,084	1,002	32,667
El Santuario Property	10,821	4,108	81,437
Chinipas Property	9,414	1,803	81,927
Pena Grande Property	44,736	16,734	186,518
Victoria Property	9,078	49,325	384,839
Coyote Property	(15,129)	1,002	77,714
Margarita Property	1,140	-	21,929
San Pedro Property	125	-	13,946
Tecolote Property	192	-	21,359
Other Properties	1,233	5,609	61,432
Exploration and evaluation expenditures	683,901	744,758	6,396,795

Other cumulative mineral expenditures since inception

Active properties at March 31, 2011	6,396,795
Joint venture earn-in expenditures	
La Tortuga Concessions	1,154,773
Quila Concessions	646,029
	<u>1,800,802</u>
Discontinued properties	
Bacanora concession	597,003
Midas Concession	8,968
	<u>605,971</u>
Total cumulative mineral expenditures since inception	<u><u>8,803,568</u></u>

OVERALL PERFORMANCE

Results of Operations

	Three Months Ended March 31, 2011	Three Months Ended March 31 2010	Year Ended December 31 2010	Year Ended December 31 2009 (CDN GAAP)
	\$	\$	\$	\$
Exploration and evaluation expenditures	683,901	744,758	2,090,247	-
Administrative expenses	217,044	117,213	611,204	358,530
Stock-based compensation	349,732	48,397	99,158	221,480
Interest (income)	(3,988)	(113)	(1,787)	(316)
Unrealized (gain) loss on investment	8,000	4,000	(32,000)	(12,500)
Net loss	<u>1,254,689</u>	<u>914,255</u>	<u>2,766,822</u>	<u>567,194</u>
Loss per common share – basic and diluted	<u>0.03</u>	<u>0.03</u>	<u>0.08</u>	<u>0.02</u>

The net loss for the three months ended March 31, 2011 was \$1,254,689 as compared to a net loss of \$914,255 for the three month period ended March 31, 2010. The \$340,434 increase in the net loss is primarily attributable to an increase of \$99,831 in administration expenses, an increase in non-cash stock-based compensation expense of \$301,335 and a decrease in exploration and evaluation expenditures of \$60,857. The increase in administrative expenses is primarily the result of an increase in investor relations activities and legal fees during the first quarter of 2011 which is the result of an overall increase in activity relating to advancement of the project in Mexico. The increase in stock-based compensation is primarily the result of the non-cash expense related to the Black-Scholes valuation and graded vesting of 2,450,000 stock options granted during the first quarter of 2011. The minor decrease in exploration and evaluation expenditures is the result a slight reduction in drilling activity during the first quarter of 2011 compared to 2010.

The net loss for the year ended December 31, 2010, was \$2,766,822 as compared to a net loss of \$567,194 for the year ended December 31, 2009. The \$2,199,628 increase in net loss is primarily attributable to an increase of \$2,090,247 in exploration and evaluation expenditures recorded as an expense in the year ended December 31, 2010 compared to 1,177,648 capitalized in the year ended

December 31, 2009. This difference relates to the change in accounting policy from capitalizing exploration and evaluation expenditures under Canadian GAAP (“CDN GAAP”) to expensing exploration and evaluation expenditures under International Financial Reporting Standards (“IFRS”). The results of operations summarized above is presented in CDN GAAP for the year ended December 31, 2009 as it relates to a period prior to the Company’s IFRS transition date of January 1, 2010. Administration expenses also increased in 2010 compared to 2009 by \$227,667 which is the result of the overall increase in activity relating to advancement of the project in Mexico. Non-cash stock-based compensation also decreased in 2010 by \$122,322 as a result of fewer stock options vesting during 2010 compared to 2009.

Financial Position and Liquidly and Capital Resources

As at March 31, 2011 the Company had assets of \$4,570,702 and an equity position of \$4,221,829. This compares with assets of \$4,279,467 and an equity position of \$4,041,196 as at December 31, 2010. Total assets for the period ended March 31, 2011 consisted of cash and cash equivalents of balance \$4,187,777 at March 31, 2011 compared to \$3,993,725 at December 31, 2010. The increase of \$194,052 relates to cash generated from the exercise of warrants of \$1,085,891 offset by cash disbursements of \$891,839.

At March 31, 2011, the Company had other financial assets with a fair value of \$54,000 compared to \$62,000 as at December 31, 2010. Total liabilities were \$348,873 as at March 31, 2011 compared to \$238,271 at December 31, 2010.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2011, the Company had current assets of \$4,526,703 (December 31, 2010 - \$4,240,849) to settle current liabilities of \$348,873 (December 31, 2010 - \$238,271) for working capital of \$4,177,830 (December 31, 2010 – \$4,002,578). The Company will seek additional capital to increase liquidity when required.

The significant sources and uses of cash for the quarter ended March 31, 2011 and 2010 are summarized below.

	Three Months ended March 31	
	2011	2010
	\$	\$
Net loss and comprehensive loss	(1,254,689)	(914,255)
Items not affecting cash	361,000	56,529
Change in non-cash working capital	10,800	(103,575)
Cash used in operating activities	(882,889)	(961,301)
Cash provided from financing activities	1,085,891	2,240,773
Cash used in investing activities	(8,950)	(488)
Change in cash and cash equivalents	194,052	1,278,984
Cash and cash equivalents, beginning of period	3,993,725	493,066
Cash and cash equivalents, end of period	4,187,777	1,772,050

Operating activities

- The Company used \$882,889 of cash in operating activities during the quarter ended March 31, 2011 which consisted of \$683,901 of exploration and evaluation expenditures and \$217,044 in operating expenditures prior to giving effect to changes in working capital. During the quarter March 31, 2010 the Company utilized \$961,301 of cash in operating activities which consisted of \$744,758 of exploration and evaluation expenditures, and \$117,213 in operating expenditures prior to giving effect to changes in working capital.

Financing activities

- The Company generated cash of \$1,085,891 from the exercise of common share purchase warrants during the quarter ended March 31, 2010. During the quarter ended March 31, 2010 the Company generated cash of \$2,240,773 from a non-brokered private placement.

Investing activities

- The Company used \$8,950 of cash for the purchase of equipment during the quarter ended March 31, 2011 compared to \$488 during the quarter March 31, 2010.

The Company's cash resources are considered sufficient to enable the Company to continue exploration on its properties in the near term but additional funds will be required in the future to advance exploration on the Company's properties.

The Company does not have any long-term debt or credit facilities with financial institutions. At this time, the Company is not anticipating an operating profit from mining activities and will continue to rely on equity financing to fund its growth.

SUMMARY OF QUARTERLY RESULTS

	March 31	Dec 31	Sept 30	June 30
	2011	2010	2010	2010
Statement of Loss - Unaudited	\$	\$	\$	\$
Exploration and evaluation expenditures	683,901	261,089	583,808	500,591
Administrative expenses	217,044	196,606	159,648	137,738
Stock-based compensation	349,732	13,962	13,962	22,837
Interest income	(3,988)	(300)	(1,163)	(211)
Unrealized (gain) loss on held for trading securities	8,000	(36,000)	(8,000)	8,000
Net loss	1,254,689	435,357	748,255	668,955
Loss per common share – basic and diluted	0.03	0.01	0.02	0.01

	March 31 2010	Dec 31 2009 ⁽¹⁾	Sept 30 2009 ⁽¹⁾	June 30 2009 ⁽¹⁾
Statement of Loss - Unaudited	\$	\$	\$	\$
Exploration and evaluation expenditures	744,758			
Administrative expenses	117,213	114,843	90,460	99,784
Stock-based compensation	48,397	89,779	131,701	
Interest income	(113)	91	48	(894)
Mineral property payments – CDN GAAP	-	-	-	(24,645)
Unrealized (gain) loss on held for trading securities	4,000	10,000	-	6,000
Net loss	914,255	194,531	222,113	70,033
Loss per common share – basic and diluted	0.03	0.02	0.01	0.01
 Balance Sheet - Unaudited				
Exploration and evaluation expenditures during quarter	-	590,198	178,005	112,710

⁽¹⁾ Quarterly financial information presented prior to the transition to IFRS, or the quarter ended December 31, 2009 is reported pursuant to CDN GAAP. Exploration and evaluation expenditures during quarter are shown for information purposes only.

Over the past eight quarters exploration and evaluation expenditures have ranged from approximately \$100,000 in the second quarter of 2009 to \$740,000 in the first quarter of 2010 and \$680,000 in the first quarter of 2011. The general increasing trend is a result of the expanding exploration program in Mexico. Administrative expenses have gradually increased from approximately \$100,000 for the second quarter of 2009 to approximately \$220,000 for the first quarter of 2011. Administrative expenses have trended upward over the past several quarters as a result of the increasing head office activity with respect to overseeing the project in Mexico. Stock-based compensation expense, which is a non cash item, has ranged between a low of nil in the second quarter of 2010 and \$350,000 in the first quarter of 2011. The fluctuations result from the timing associated with the granting and vesting of stock options and the associated non-cash expense estimated pursuant to the Black-Scholes valuation model. For additional information regarding period to period variations refer to the Results of Operations and other sections of this MD&A.

Selected annual information

	March 31, 2011	December 31, 2010	December 31, 2009 (CDN GAAP)
	\$	\$	\$
Consolidated statements of operations			
Exploration and evaluation expenditures	683,901	2,090,247	-
Administrative expenses	217,044	611,204	358,530
Stock-based compensation	349,732	99,158	221,480
Interest income	(3,988)	(1,787)	(316)
Unrealized (gain) loss on investment	8,000	(32,000)	(12,500)
Net loss	<u>1,254,689</u>	<u>2,766,822</u>	<u>567,194</u>
Loss per common share – basic and diluted	<u>0.03</u>	<u>0.08</u>	<u>0.02</u>
Consolidated statements of cash flow			
Cash flow used in operations	(882,889)	(2,715,529)	(563,983)
Cash flow from financing activities	1,085,891	6,252,006	1,424,615
Cash flow from (used in) investing activities	(8,950)	(35,818)	(1,171,255)
Increase (decrease) in cash and cash equivalents	<u>194,052</u>	<u>3,500,659</u>	<u>(310,623)</u>
Consolidated statement of financial positions			
Cash and cash equivalents	4,187,777	3,993,725	493,066
Total assets	4,570,702	4,279,467	4,323,461
Shareholders' equity	4,221,829	4,041,196	4,111,809
Number of common shares outstanding	47,766,129	45,584,348	28,083,650
Cumulative exploration and evaluation expenditures	6,483,103	5,737,479	3,647,232

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

OUTSTANDING SHARE DATA

Share capital transactions for the exercise of options or warrants for the period January 1, 2011 to June 27, 2011 were as follows:

	Instrument Expiry Date	Exercise price per share (\$)	Proceeds (\$)	Number of Shares issued
Issued and outstanding common shares January 1, 2011				<u>45,584,348</u>
Exercise of common share purchase options				
Share options	8-Sep-12	0.42	21,000	50,000
Share options	4-Jan-14	0.59	3,687	6,250
			<u>24,687</u>	<u>56,250</u>
Exercise of common share purchase warrants				
Warrants	03-Jan-11	0.30	7,500	25,000
Warrants	19-Apr-11	0.50	1,884,710	3,769,420
Warrants ⁽ⁱ⁾	21-Jun-12	0.70	140,000	200,000
			<u>2,032,210</u>	<u>3,994,420</u>
Issued and outstanding common shares June 27, 2011				<u>49,635,018</u>

⁽ⁱ⁾ Pursuant to the non-brokered private placement each warrant is exercisable into one common share at a price of \$0.70 per share until December 21, 2011 and \$0.85 per share thereafter until June 21, 2012.

As at June 27, 2011, the following common shares, common share purchase options, and common share purchase warrants were outstanding.

	Instrument Expiry Date	Exercise price per share	Number of shares and number of shares on exercise
Issued and outstanding common shares			49,635,018
Common share purchase options			
Share options	31-Jan-12	0.63	245,000
Share options	28-Jun-12	0.45	240,000
Share options	8-Sep-12	0.42	1,035,000
Share options	10-Dec-12	0.35	400,000
Share options	4-Jan-14	0.59	1,875,000
Share options	17-Mar-14	0.59	550,000
			4,345,000
Common share purchase warrants			
Warrants	12-Aug-11	0.50	82,555
Warrants ⁽¹⁾	21-Jun-12	0.70	6,722,223
Warrants	21-Jun-12	0.45	390,464
			7,195,242
Fully diluted common shares			61,175,260

⁽ⁱ⁾ Pursuant to the non-brokered private placement each warrant is exercisable into one common share at a price of \$0.70 per share until December 21, 2011 and \$0.85 per share thereafter until June 21, 2012.

As at March 31, 2011, the following common share purchase options were outstanding.

Exercise price ⁽¹⁾	Number of options		Expiry	Remaining Contractual Life (years) ⁽¹⁾
\$	Outstanding	Exercisable	Date	
0.63	245,000	245,000	January 31, 2012	0.8
0.45	240,000	240,000	June 28, 2012	1.2
0.42	1,085,000	1,085,000	September 8, 2012	1.4
0.35	400,000	300,000	December 10, 2012	1.7
0.59	1,900,000	475,000	January 4, 2014	2.8
0.59	550,000	137,500	March 17, 2014	3.0
0.52	4,420,000	2,482,500		2.3

(1) Total represents weighted average.

As at March 31, 2011, the following common share purchase warrants were outstanding.

Exercise price \$	Number of outstanding exercisable Warrants	Expiry Date	Remaining Contractual Life (years)
0.50	1,695,194	August 11, 2011	0.33
0.45	390,464	June 21, 2012	1.25
0.70-0.85 ⁽ⁱ⁾	6,922,223	June 21, 2012	1.25

- (ii) Pursuant to the non-brokered private placement described in 13(ii) above each warrant is exercisable into one common share at a price of \$0.70 per share until December 21, 2011 and \$0.85 per share thereafter until June 21, 2012.

RELATED PARTY TRANSACTIONS

Transactions with related parties were in the normal course of business and were measured at the exchange amount established and agreed to by the related parties.

The related party expenditures during the period are summarised as follows:

Three months ended March 31	2011 \$	2010 \$
Salaries – President and Director	37,500	27,000
Management fees – CFO and director	8,250	9,000
Management fees – VP Exploration	34,500	35,737
	80,250	71,737

SUBSEQUENT EVENTS

Mineral properties and deferred development expenditures

On April 26, 2011 the Company entered into an option agreement with Argentum Silver Corp (“Argentum”) whereby Argentum may earn a 100% interest in the Victoria and Coyote silver gold projects by paying \$255,000 in total cash payments, issuing an aggregate 5,000,000 common shares of Argentum and spending a total of \$1.1 million on exploration over 2 years. The earn-in period can be accelerated at the discretion of Argentum. Soltoro retains a 3% net smelter return (“NSR”) royalty interest in each project. Argentum may acquire 1/3 of the royalty (equal to 1% NSR) for US\$1.5 million for each project, or US\$3.0 million in total. Argentum may also acquire a further 1/3 of the royalty or a maximum of 2/3 (equal to 2% NSR) on the forgoing terms. On March 8, 2011 Argentum paid Soltoro a non refundable deposit of \$35,000 pursuant to a letter of intent. On April 28, 2011 the transaction was approved by the TSX Venture Exchange and pursuant to the option agreement Argentum paid \$100,000 and issued 1.5 million common shares of Argentum to Soltoro. The common shares are subject to a four month hold period which expires on August 29, 2011.

Warrants and stock options

Subsequent to quarter end the following common share purchase warrants and stock options were exercised:

- 1,612,639 warrants with an exercise price of \$0.50 for total proceeds of \$806,320 relating to the February 12, 2010 private placement as described in Note 13(i) above,

- 200,000 warrants with an exercise price of \$0.70 for total proceeds of \$140,000 relating to the December 21, 2010 private placement as described in Note 13(i) above,
- 56,250 stock options with an exercise price of \$0.59 for total proceeds of \$24,687.

SIGNIFICANT ACCOUNTING POLICIES

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Soltoro has no sources of revenue and is dependent on financings to fund its operations. In addition, the Company has not yet determined whether its properties contain mineral reserves that are economically recoverable. The ability of the Company to continue as a going concern and the recoverability of expenditures in respect of mineral properties and deferred exploration costs are dependent upon: the continuing financial support of shareholders or other investors; obtaining new financing on commercial terms acceptable to the Company to enable it to complete exploration and development; successfully establishing the existence of economically recoverable reserves; confirmation of the Company's interest in the underlying mineral concessions; the acquisition of required permits to mine; and upon attaining profitable production once any or all of its properties have commenced operations, all of which outcomes are uncertain and which, taken together, cast significant doubt over the ability of the Company to continue as a going concern.

The consolidated financial statements do not include any adjustments to the carrying values of the Company's assets, liabilities, and expenses and the related statement of financial position and statement of loss classifications that would be necessary if the going concern assumption were inappropriate. Such adjustments have not been quantified by management but could be material.

The reader is also directed to review the risk management section of the MD&A.

Basis of consolidation

The interim consolidated financial statements include the financial statements of the Company and its wholly controlled subsidiary, Soltoro S.A. de C.V. a company based in Mexico. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-Company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Company except to the extent that the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

Mineral properties

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into Property, plant and equipment (“PPE”). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE 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.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the declining balance method or unit-of-production method over the following expected useful lives:

- Automotive equipment 25%
- Equipment 10-30%

An item of PPE is derecognized upon disposal, when held for sale 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 the consolidated statement of comprehensive income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the Company prospectively.

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

Decommissioning, restoration and similar liabilities (“Asset retirement obligation” or “ARO”)

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Share based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The “treasury stock method” is used

for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the three months ended March 31, 2011 and 2010 all the outstanding stock options and warrants were antidilutive.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash and cash equivalents and other financial assets are classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company’s value-added taxes receivable are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company’s has no items classified as financial assets available-for-sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s trade and other payables are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At March 31, 2011 the Company has not classified any financial liabilities as FVTPL.

Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

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 to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Foreign currency transactions***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the CDN\$, and the presentation of the subsidiaries in the Group is the MXN\$. The consolidated financial statements are presented in Canadian Dollars which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; property, plant and equipment, recoverability of value-added taxes receivable, valuation of deferred income tax amounts, impairment testing and the calculation of share-based payments. The most significant judgements relate to recognition of deferred tax assets and liabilities, determination of the commencement of commercial production and the determination of the economic viability of a project.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Transition to IFRS from GAAP

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt IFRS for financial periods beginning on and after January 1, 2011.

The Company has adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010.

IFRS Conversion

The Company's IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion was understood and managed reasonably, the Company hired an IFRS conversion project manager. The accounting staff attended several training courses on the adoption and implementation of IFRS. Through in-depth training and the preparation of reconciliations of historical Canadian GAAP financial statements to IFRS, the Company believes that its accounting personnel have obtained a thorough understanding of IFRS.

In conjunction with the adoption of IFRS the Company has implemented a new accounting system, which will satisfy all the information needs of the Company under IFRS. The Company has also reviewed its current internal and disclosure control processes and believes they will not need significant modification as a result of our conversion to IFRS.

Impact of IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP; however significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS will not change the actual cash flows of the Company, the adoption will result in changes to the reported financial position and results of operations of the Company. In order to allow the users of the financial statements to better understand these changes, we have provided the reconciliations between Canadian GAAP and IFRS for the total assets, total liabilities, shareholders equity and net earnings in Note 3 to the interim

consolidated financial statements. The adoption of IFRS has had no significant impact on the net cash flows of the Company. The changes made to the statements of financial position and comprehensive income have resulted in reclassifications of various amounts on the statements of cash flows, however there has been no change to the net cash position.

In preparing the reconciliations, the Company applied the principles and elections of IFRS 1, with a transition date of January 1, 2010. As the Company has adopted IFRS effective January 1, 2010, it will apply the provisions of IFRS 1 as described under the section entitled “Initial Adoption – IFRS 1”, with a January 1, 2010 transition date. The Company will also apply IFRS standards in effect at December 31, 2011 as required by IFRS 1.

Initial Adoption of International Accounting Standards

IFRS 1 “First Time Adoption of International Accounting Standards” sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional date of the statement of financial position with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. The Company has chosen to take the following exemptions under IFRS 1:

- to apply the requirements of IFRS 3, *Business Combinations*, prospectively from the Transition Date;
- to apply the requirements of IFRS 2, *Share-based payments*, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date; and
- to transfer all foreign currency translation differences, recognized as a separate component of equity, to deficit as at the Transition Date including those foreign currency differences which arise on adoption of IFRS.

Comparative Information

The Company has restated all periods from January 1, 2010 onwards in accordance with IFRS.

FAIR VALUE AND FINANCIAL RISK FACTORS

Capital Management

Soltoro manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserve for warrants, reserve for share based payments, accumulated deficit, and accumulated other comprehensive loss which at March 31, 2011 totaled \$4,221,829 (December 31, 2010 - \$4,041,196).

Soltoro manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating and capital expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the

Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended March 31, 2011. The Company is not subject to any capital requirements imposed by a lending institution.

Fair value of financial instruments

The Company has designated its cash and cash equivalents and other financial assets as fair value through profit and loss which are measured at fair value. Value-added taxes receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which approximates fair value. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also approximates fair value. Fair value of the above accounts has been measured in accordance with the below:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

	Level One	Level Two	Level Three
	\$	\$	\$
Cash and cash equivalents	4,187,777	-	-
Other financial assets	54,000	-	-
Value-added taxes receivable	-	231,505	-
Trade and other payables	-	348,873	-

As at March 31, 2011 and December 31, 2010, both the carrying and fair value amounts of the Company's financial instruments related to cash and cash equivalents, other financial assets, value-added taxes receivable and trade and other payables are approximately equivalent.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Property risk

The Company's major mineral properties are in the exploration stage (the "Properties"). Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon its existing Properties. If no additional major mineral properties are acquired by the Company, any adverse development affecting the Company's Properties would have a material adverse effect on the Company's financial condition and results of operations.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash and cash equivalents consist of cash on hand deposited with reputable financial institutions which is closely monitored by management. Financial instruments included in accounts receivable consist of taxes receivable from government authorities in Canada and Mexico and deposits held with service providers. Management believes credit risk with respect to financial instruments included in cash and cash equivalents and accounts receivable is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2011, the Company had current assets of \$4,526,703 (December 31, 2010 - \$4,240,849) to settle current liabilities of \$348,873 (December 31, 2010 - \$238,271) for working capital of \$4,177,830 (December 31, 2010 - \$4,002,578). The Company will seek additional capital to increase liquidity when required.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and the prices of commodities and equities.

Interest rate risk

The Company has cash and cash equivalents balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term guaranteed investment certificates issued by banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its investments. As of December 31, 2010, the Company had cash and cash equivalents of \$4,187,777 (December 31, 2010 - \$3,993,725) which includes guaranteed investment certificates.

Foreign currency risk

The Company's exploration activities are conducted entirely in Mexico. Major purchases and exploration expenditures are transacted in Mexican pesos and US dollars. Administrative expenditures and cash and cash equivalents balances are primarily transacted in Canadian dollars. The Company has exposure to foreign currency risk. The Company mitigates the risk of foreign currency fluctuations by converting Canadian currency to Mexican pesos and US dollars when required to fund expenditures.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to gold, silver, copper, and zinc, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company. The Company's investment in marketable securities is subject to fair value fluctuations arising from price changes in the resource sector and equity markets.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the next 12-month period:

- (i) Interest rate risk is limited to cash and cash equivalents balances, primarily held in Canadian and US dollars in Canada.
- (ii) The Company holds balances in US dollars and Mexican pesos that give rise to foreign exchange risk. If the US dollar rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, net loss for the year ended March 31, 2011 would have been approximately \$27,000 higher/lower. If the Mexican peso rose or fell in relation to the Canadian dollar by 5% with all other variables held constant accumulated other comprehensive loss for the period ended March 31, 2011 would have been approximately \$6,000 higher/lower.

- (iii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of valuable minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of valuable minerals may be produced in the future, a profitable market will exist for them. As of March 31, 2011, the Company is not a producer of valuable minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.
- (iv) The Company's marketable securities are denominated in Canadian dollars and are subject to fair value fluctuations. As at March 31, 2011, if the fair value of the Company's marketable securities had increased/decreased by 10% with all other variables held constant, accumulated other comprehensive loss for the three month period ended March 31, 2011 would have been approximately \$5,400 lower/higher. Similarly, as at March 31, 2011, the Company's reported shareholders' equity would have been approximately \$5,400 lower/higher as a result of a 10% decrease/increase in other financial assets.

OTHER RISK FACTORS

The Company's business requires and will continue to require significant financings and is subject to risks associated with industry and economic factors, mineral prices, mineral resources and exploration activities. Readers should review and consider the financial, operational, permitting and environmental risk factors faced by the Company, which are common to junior exploration companies.

Industry and economic factors affecting the Company

The Company's future performance is largely tied to the financial markets related to junior exploration companies. Although economic conditions in Canada and elsewhere have improved over the last several months, the Company remains cautious in case the economic factors that impact the mining industry deteriorate. These factors include uncertainty regarding the price of gold, silver and copper and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to the development of its current mineral property interests and the overall financial markets. Financial markets are likely to continue to be volatile reflecting ongoing concerns about the global economy and sovereign defaults throughout the world. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Company's current strategy is to continue exploration of its Mexican properties using cash generated through equity financings when available at attractive valuations and to seek out other prospective business opportunities including entering into option arrangements and/or joint ventures. The Company believes that this focused strategy will enable it to maintain momentum on key initiatives. These trends may limit the Company's ability to develop and/or further explore its Mexican properties, and/or other property interests that could be acquired in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits is a speculative venture involving a high degree of risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risk. While the discovery of a commercially viable ore body may result in substantial rewards, few mineral properties which are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, and the inability of Soltoro to obtain suitable machinery, equipment or labour are all risks

involved with the conduct of exploration programs and the operation of mines. Substantial expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing may be required. It is impossible to ensure that the exploration or development programs planned by Soltoro will result in a profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) metal prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, permitting, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; (v) availability and cost of additional funding; and (vi) local community and landowner opposition to access mineral rights.

The exact effect of these factors cannot be accurately predicted, but one or any combination of these factors may result in Soltoro not receiving an adequate return on invested capital.

Additional Capital

The ability of Soltoro to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of Soltoro. The development and exploration of Soltoro's properties may require substantial additional financing. Failure to obtain such financing may result in delaying or indefinite postponement of exploration, development or production on any or all of Soltoro's properties or a loss of a property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Soltoro. If additional financing is raised by Soltoro through the issuance of securities from treasury, control of Soltoro may change and security holders may suffer additional dilution.

Early Stage Projects

Each of the Company's projects is in the early exploration stage and is without a known body of commercial ore. There is no certainty that the expenditures made by Soltoro towards the search for and development of mineral deposits on its properties will result in discoveries of commercial quantities of ore.

Environmental Risks and Hazards

All phases of Soltoro's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. 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 Soltoro's operations. Environmental hazards may exist on the properties on which Soltoro holds interests which are unknown to Soltoro at present and which have been caused by previous or existing owners or operators of the properties or by current or previous surface rights owners. Government approvals and permits have been submitted as required and future approvals will be required in connection with Soltoro's operations. To the extent such approvals are required and not obtained, Soltoro may be curtailed or prohibited from continuing its mining operations or from proceeding with the planned exploration or development of the mineral properties in which it has an interest. 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 be curtailed, and may include corrective measures requiring capital

expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of exploration properties may be required to compensate those suffering loss or damage by reason of such parties' 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 exploration companies, or more stringent implementation thereof, could have a material adverse impact on Soltoro and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and Soltoro may decide not to insure such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of Soltoro. The Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Soltoro periodically evaluates the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if Soltoro becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds available to Soltoro to pay such liabilities and result in bankruptcy. Should Soltoro be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Permitting

Soltoro's current and future operations will require approvals and permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such approvals and permits for the existing operations or additional approvals or permits for any possible future changes to operations. Prior to any development on any of its properties, Soltoro must receive permits from appropriate governmental authorities. There can be no assurance that Soltoro will obtain or continue to hold all permits necessary to develop or continue operating at any particular property.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, and government or other interference in the maintenance or provision of such infrastructure could adversely affect Soltoro's operations, financial condition and results of operations.

Title to Mining Concessions

The validity of mining concessions generally can be contested, and although Soltoro has taken steps to acquire the necessary title to its mining concessions, some risk exists that title to such concessions may be defective. In order to maintain the mining concessions, Soltoro must incur certain minimum exploration expenditures annually or risk forfeiture of the mining concessions and any such expenditure made to such time.

Competition

The resource and mining exploration industry is intensely competitive in all of its phases. 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 Soltoro, the Company may be unable to acquire additional mineral properties on terms it considers acceptable, or continue to explore and develop its existing properties.

Market Factors and Volatility of Commodity Prices

The marketability of mineralized material which may be acquired or discovered by Soltoro will be affected by numerous factors beyond the control of Soltoro. These factors include market fluctuations in the prices of minerals sought, which are highly volatile, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, permitting, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but these factors may result in Soltoro not receiving an adequate return on invested capital. Prices of certain minerals have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the control of Soltoro. Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by Soltoro would have a material adverse effect on Soltoro, and could result in the suspension of exploration or development of mining operations by Soltoro.

Foreign Operations

All of the Company's property interests are located in Mexico, and are subject to that jurisdiction's laws and regulations. The Company believes the present attitude of Mexico to foreign investment and mining to be favourable but investors should assess the political risks of investing in a foreign country. Variations from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Company.

Exchange Rate Fluctuations

Exchange rate fluctuations may adversely affect Soltoro's financial position and results. Soltoro does not currently hedge or otherwise mitigate its foreign currency risks.

Key Executives

Soltoro is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of Soltoro, the loss of these persons or Soltoro's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. Soltoro does not currently carry any key man life insurance on any of its executives.

Conflicts of Interest

Certain of the directors and officers of Soltoro also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Soltoro will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Soltoro and its shareholders.

DISCLOSURE AND INTERNAL CONTROLS

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (Form 52-109FV2), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Information

Except for statements of historical fact relating to Soltoro, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of precious and/or base metals; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; the uncertainty of conducting activities

within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of Soltoro has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Management’s Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management’s informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited consolidated financial statements with management. The Board of Directors has approved the unaudited consolidated financial statements on the recommendation of the Audit Committee.

June 27, 2011

(Signed) “*Andrew Thomson*”
Andrew Thomson
President and Chief Executive Officer

(Signed) “*Brian Jennings*”
Brian Jennings
Chief Financial Officer