



MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Month Period Ended September 30, 2009

Dated November 30th, 2009

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended September 30th, 2009

This Management Discussion & Analysis ("MD&A") of Acero-Martin Exploration Inc. ("Acero-Martin", or the "Company") is dated November 30th, 2009 and provides an analysis of the Company's performance and financial condition for the nine month period ended September 30th, 2009.

This MD&A should be read in conjunction with the Company's interim unaudited consolidated financial statements for the nine month ended September 30th, 2009 and the audited consolidated financial statements for the year ended December 31st, 2008, including the related note disclosure, both of which are prepared in accordance with Generally Accepted Accounting Principles in Canada. All amounts are in Canadian dollars unless otherwise specified.

Additional information relating to the Company, including the interim unaudited consolidated financial statements for the nine month period ended September 30, 2009 are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com or on the Company's website www.aceromartin.com

OVERALL PERFORMANCE

DESCRIPTION OF BUSINESS

Acero-Martin Exploration Inc. is a publicly held mineral exploration company listed on the TSX Venture Exchange under the symbol "ASD" and the Frankfurt Exchange under the symbol "AMX." The Company's main business focus is to acquire and explore mineral properties for precious and base metals and other minerals. Since 2004, the Company has been focused on developing its 100% controlled Pinaya gold-copper Project located in southern Peru. The Company also maintains a 80% interest in the Red Mountain gold Project located in the Yukon Territory, Canada and 100% interest in two grassroots gold projects located in Peru: La Mamita and Minas Lucho. To date, Acero-Martin has not earned any revenues from its mineral property interests and is considered to be in the exploration stage.

Acero-Martin believes there is great potential to expand the current resource base and prove up a major deposit at the Pinaya project.

RESOURCE PROPERTIES

Acero-Martin currently has interests in the following mineral properties:

a) Pinaya Project, Southern Peru

The Pinaya gold-copper Project is located in southern Peru approximately 775 kilometers southeast of Lima, the capital of Peru, and 110 kilometers north-northeast of Arequipa, the second largest city in Peru. The property consists of twenty-nine mineral concessions covering approximately 14,500 hectares. Acero-Martin holds a 100% interest in the concessions through its wholly owned Peruvian subsidiary Canper Explorations S.A.C ("Canper").

Canper originally held the rights to thirteen of the twenty-nine mineral concessions that make up the project. In April of 2004, Acero-Martin acquired Canper for a total of three million shares over a three year period.

An additional one million shares of the Company may be issued as follows:

- a) If a probable reserve of 750,000 ounces of gold is outlined at Pinaya, then 500,000 shares will be issued; and
- b) If a probable reserve of 2,500,000 ounces of gold is outlined at Pinaya, then a further 500,000 shares will be issued.

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended September 30th 2009

Compañía Minera Aurífera Los Andes de Pinaya S.A.C (“COMAPI”) originally owned three of the twenty-nine mineral concessions. Acero-Martin completed a property option agreement with COMAPI to earn 100% interest in these concessions by paying COMAPI US\$2,500,000 over a three-year period.

One of the mineral concessions, Don Pedro 2000, was originally owned by Minera Pinaya. To earn a 100% interest in the concession, Acero-Martin had to make staged payments to Minera Pinaya totalling US\$250,000 over three years.

All of the other concessions were acquired by direct application to the Peruvian Ministry of Mines

b) Red Mountain Project, Yukon Territory Canada

Acero-Martin carries an 80% participatory interest in 52 mineral property claims located in the Yukon Territory Canada, known as the Red Mountain Project. As part of the acquisition of the Red Mountain Property, the Company agreed to spend \$1.5 million on the property within 30 months from the date of the acquisition. To date, the Company has spent in excess of \$2.4 million on the property (before Yukon tax credits of approximately \$500,000) and has met the exploration expenditure requirements under the Option Agreement. The vendor retains a 2% NSR.

c) La Mamita Property, Peru

La Mamita is located in northern Peru in the Ancash mining camp near the multi-million ounce Alto Chicama gold deposit (Barrick Gold). Acero-Martin has 100% interest in the project which consists of a single concession and covers an area of about 1,000 hectares. Results from a recent surface sampling program showed highly anomalous gold values ranging from 0.23 to 6.37 g/t gold, and averaging 1.43 g/t gold. La Mamita is a grassroots to early exploration stage project with evaluation continuing. The Company paid U.S. \$25,000 cash and issued 25,000 shares to acquire the project.

d) Minas Lucho Property, Peru

Acero-Martin has 100% interest in the Minas Lucho Project which consists of four mineral concessions which cover an area of about 2,400 hectares. The project is located southeast of the Pinaya Project on the Andahuaylas-Yauri metallogenic belt. The claim covers an extensive zone of alteration, which lies along a trend of structurally controlled zones of gold mineralization. Minas Lucho is a grassroots project being evaluated for further exploration. The Company paid U.S. \$11,000 cash and issued 100,000 shares to acquire the project.

EXPLORATION REVIEW

Acero-Martin is continuing its evaluation of exploration efforts to date on its Pinaya gold-copper Project in Southern Peru. No drilling was conducted during the quarter with the project on care and maintenance.

For the 2008 drilling program, the first eight holes, PDH-150 to 158, were all wide 100 to 200 meter step out holes drilled at the North Western Porphyry Zone to increase the projects overall resource base. For hole PDH-159, a deep drilling rig was brought to the site. The hole was drilled at the North Western Porphyry Zone to a depth of 800 meters and bottomed in mineralization. It was the first hole ever drilled to test the depth potential of the deposit beyond 550 meters. The final hole, PDH-160, was drilled at the Los Vientos Zone, a recently discovered target located one kilometer to the southeast of the main deposit with a strong geophysical signature and trenching highlights of **2.0 g/t gold over 6.7 meters**, including **10.7 g/t gold over 1.2 meters** (trench PTR-152).

SELECTED ANNUAL & QUARTERLY INFORMATION

SELECTED ANNUAL INFORMATION

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended September 30th, 2009

For the years ended December 31, 2008, 2007 and 2006 (\$)

Audited	2008	2007	2006
Total assets	6,711,494	7,521,310	6,244,550
Total Liabilities	1,192,159	177,346	518,196
Shareholders equity	5,519,335	7,343,964	5,726,354

Revenues	49,629	88,229	27,480
Major expense items			
Mineral property exploration	2,938,547	5,864,408	2,499,112
Accounting and audit	64,775	81,608	37,625
Consulting fee	89,177	260,820	528,757
Office, rent and misc.	207,618	133,460	119,850
Legal	132,830	174,605	152,391
Management fees	195,000	180,900	253,000
Public relations	87,566	237,770	227,608
Stock exchange and filing fees	31,368	58,098	30,106
Stock based compensation	548,192	620,582	1,102,856
Transfer agent fees	26,513	25,791	23,720
Net loss	4,638,256	7,946,590	5,132,752
Loss per share	0.06	0.14	0.13

SELECTED QUARTERLY INFORMATION

By recent eight Quarters (\$)

	Sept 30, 2009	June 30, 2009	Mar 31, 2009	Dec 30, 2008	Sept 30, 2008	June 30, 2008	Mar 31, 2008	Dec 31, 2007
Total assets	6,466,947	6,454,763	6,531,994	6,954,887	6,954,887	6,623,464	6,637,672	7,521,310
Total liabilities	1,146,679	1,517,822	1,414,958	889,301	889,301	1,127,356	403,328	177,346
Shareholders equity	5,320,268	4,936,941	5,117,036	6,065,586	6,065,586	5,496,108	6,234,344	7,343,964
Revenues	53,276	17,174	3,072	531	531	2,237	2,629	16,536
Major expense items								
Mineral property exploration	710	44,955	50,231	415,608	415,608	941,164	628,423	5,864,408
Accounting and audit	(1,638)	11,169	2,607	6,700	6,700	6,875	5,000	68,096
Legal	76,686	3,409	4,460	12,367	12,367	35,640	44,236	21,560
Management fees	0	8,000	24,000	63,000	63,000	47,000	52,000	54,000
Consulting fees	0	0	0	27,758	27,758	35,190	25,229	37,960
Office, rent and misc.	4,293	60,286	32,239	55,651	55,651	67,482	30,743	(117,713)
Stock-based compensation	0	39,504	0	(57,150)	20,430	77,208	507,704	527,648
Stock exchange and filing fees	6,743	0	5,050	16,067	2,674	9207	11,707	14,846
Transfer agent fees	18,953	6,900	3,889	4,117	4,741	10,215	7,440	3,681

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended September 30th, 2009

Net loss	88,133	224,098	402,299	827,296	928,730	1,417,298	6,892,156	6,892,156
Loss per share	0.01	0.01	0.01	0.01	0.01	0.02	0.13	0.13

SUMMARY OF QUARTERLY RESULTS

For the quarter ended September 30, 2009, net loss decreased by \$840,597 to \$88,133 due largely to decreased mineral property exploration and activities in Peru as compared to the same period last year. Management is also actively managing and reducing its expenditures to reflect the decreased amount of activity.

Major administrative expenditures for the nine months ended September 30, 2009 were:

	\$
Wages	226,967
Office and miscellaneous	97,319
Professional fees	96,693
Mineral property exploration	95,895

No contracts exist with respect to management fees, office, or rent.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital was (\$944,024) as at September 30th, 2009. The Company does not have sufficient funds to meet its current commitments, and must raise further funds through additional share issuances in the future. Approximately \$1 million of the liabilities are from the Company's subsidiary in Peru and unless the funds can be raised in the immediate future, the claims in Peru may be in jeopardy.

On June 22, 2009, the Company entered into a Letter of Intent ("LOI") with Solitaire Minerals Corp. (TSX Venture: SLT) whereby Solitaire will acquire up to a 75% interest in the Company's Pinaya Gold/Copper Deposit located in Southern Peru as well as the Minas Lucho property and the La Mamita Property for incurring exploration costs totaling \$6,400,000, plus a payment to the Company of \$2,400,000 on or before December 31, 2012. Pursuant to the transaction, the Company will retain a 1.5% net smelter royalty. The final LOI will be subject to regulatory approval, and a final definitive agreement.

OUTSTANDING SHARE DATA

The total number of common shares outstanding as of September 30th, 2009 was 109,388,510.

WARRANTS

As at September 30th, 2009, the following warrants were outstanding:

Number of Warrants	Exercise price	Expiry date
3,514,000	\$0.50	April 2, 2010
13,531,039	\$0.06	September 15, 2009
1,558,350	\$0.06	October 9, 2009
12,000,000	\$0.05	August 21, 2010

STOCK OPTIONS

As at September 30th, 2009 there were 6,375,000 outstanding stock options exercisable at prices from \$0.30 to \$0.95 for up to 2013.

TRANSACTIONS

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended September 30th 2009

RELATED PARTY TRANSACTIONS

During the period ended September 30, 2009, the Company incurred management fees of \$31,500 (2008:\$162,000) with directors and companies owned by directors.

During the period ended September 30, 2009, the Company incurred exploration expenditures and geological consulting fees of \$95,895 (2008: \$152,235) with companies owned by directors.

During the period ended September 30, 2009, the Company incurred consulting fees of \$Nil (2008: \$225) with officers of the Company.

During the period ended September 30, 2009, the Company incurred legal fees of \$24,580 (2008 \$70,915) with an officer who is principal of a law firm.

As at September 30, 2009, accounts payables includes \$84,232 (2008: \$39,312) owing to officers, directors and companies controlled by common directors and officers of the Company.

All the above expenditures were incurred during the normal course of business.

OFF- BALANCE SHEET TRANSACTIONS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions at this time.

SUBSEQUENT EVENTS

Subsequent to September 30, 2009 the Company entered into a Letter of Intent (“LOI”) with Solitaire Minerals Corp. Pursuant to the terms of the LOI, Solitaire Minerals Corp. will acquire up to a 75% interest in the Company’s Pinaya Gold/Copper Deposit located in southern Peru as well as the Minas Lucho Property and the La Mamita Property for incurring exploration costs totaling US\$6,400,000, plus a payment to the Company of US\$2,400,000 on or before December 31, 2012. Pursuant to this transaction, the Company will retain a 1.5% net smelter royalty. The final LOI will be subject to regulatory approval, and a final definitive agreement.

Subsequent to September 30, 2009 the TSX Venture Exchange approved the Company’s share consolidation which was approved by the shareholders at the Company’s Annual and Special General Meeting held on August 27, 2009. Effective as of the opening of trading on the TSX Venture Exchange, on Wednesday, October 7, 2009, the Company commenced trading its common shares on a consolidated basis of one (1) post consolidated common share for every four (4) pre-consolidated common shares held. The Company’s name remained the same but the Company’s trading symbol will change from ASD to AMG. The Company’s current issued and outstanding share capital is 109,388,510 common shares and the Company had 27,347,128 common shares issued and outstanding post-consolidation.

Subsequent to September 30, 2009, the Company entered into an option agreement, which was subsequently amended on April 4, 2002 and again on May 12, 2002, with 629281 B.C. Ltd., to acquire a 75% interest in 52 contiguous mineral property claims located in the Mayo Mining District, Yukon. The Company and 629281 B.C. Ltd. have agreed by way of confirmation and amending agreement dated August 31, 2009 that, notwithstanding the terms of the Option Agreement, the Company has earned an 80% interest in the Red Mountain Property subject to a 2% Net Smelter Royalty to be paid to 629281B.C. Ltd. following the commencement of commercial production. Under the terms of the Confirmation and Amending Agreement, in consideration of B.C. Ltd., the Company has agreed to issue 175, 000 post-consolidated common shares in the capital of the Company to 629281 B.C. Ltd.

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended September 30th 2009

Subsequent to September 30, 2009, the Company received TSX Venture Exchange approval to amend the terms of a total of 31,002,231 (pre consolidated) Share Purchase Warrants whereby the exercise price is reduced from \$0.10 (pre consolidated) per share to \$0.06 (pre consolidated) per share, and the expiry date is extended by one year. As permitted by the TSX, the number of the Warrants, as amended, to be exercised by insiders is limited to no more than 10% of the total held by insiders, distributed pro rata among those insiders holding Warrants. The balance of the Warrants held by insiders will expire at the new date but pursuant to the original price terms of the Warrants.

ACCOUNTING PRONOUNCEMENTS

Accounting changes

Effective January 1, 2008, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (“CICA”) under Section 3862, *Financial Instruments Disclosures*, Section 3863, *Financial Instrument - Presentation* and Section 1535, *Capital Disclosures*. *Financial Instruments* Section 3862 requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity’s financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments - Recognition and Measurement*, Section 3863 and Section 3865, *Hedges*. Section 3863 is to enhance financial statement users’ understanding of the significance of financial instruments to an entity’s financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

The adoption of Sections 3862 and 3863 had no impact on the Company’s consolidated financial statements. *Capital Disclosures* Section 1535 establishes standards for disclosing information about an entity’s capital and how it is managed.

Critical Accounting Estimates

The Company follows the method of accounting for its mineral interests whereby all costs related to acquisition, exploration and development are capitalized by project. Costs are deferred until commencement of commercial production and will be depleted over the useful lives of the properties, or written off. The carrying values of mineral interests are reviewed by management at least annually to determine if they have become impaired. If impairment is deemed to exist, the mineral interest will be written down to its net recoverable value.

FUTURE ACCOUNTING POLICY CHANGES

In 2006, the CICA Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company’s transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended September 30th 2009

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company did not have significant revenues in its last three financial years.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. The use of any of the words "believe", "expect", "estimate", "will", "should", "intend" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes these expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included herein should not be unduly relied upon. Actual results and developments may differ materially from those contemplated by the forward looking statements. The forward-looking information contained in this MD&A represents our expectations as of the date of this MD&A and, accordingly, is subject to change after such date. We expressly disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

BOARD OF DIRECTORS

Michael Scholz
Dr. Stewart Jackson
Peter MacLean
Jatinder (Jack) Bal
Donald Wedman

OFFICERS

President and CEO – Dr. Stewart Jackson
Chairman of the Board - Michael Scholz
Chief Operating Officer – Ralph Stricklen
Chief Financial Officer – Wan Jung, CGA