



MANAGEMENT DISCUSSION AND ANALYSIS
For the Three Month Period Ended March 31, 2009

Dated May 29th, 2009

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended March 31st, 2009

This Management Discussion & Analysis ("MD&A") of Acero-Martin Exploration Inc. ("Acero-Martin", or the "Company") is dated May 29th, 2009 and provides an analysis of the Company's performance and financial condition for the three month period ended March 31st, 2009.

This MD&A should be read in conjunction with the Company's interim unaudited consolidated financial statements for the three month ended March 31st, 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 three month period ended March 31, 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 75% 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 March 31st, 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 has 75% 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 of which 1% may be purchased from the vendor for \$1 million.

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 to focus its exploration efforts on its Pinaya gold-copper Project in Southern Peru. This quarter, the Company completed phase one of its 2008 diamond drilling program. A total of 5,588 meters (18,333 feet) was drilled in eleven holes to expand upon the gold-copper deposit outlined by previous drilling and to test a large undrilled geophysical anomaly to the east of the main mineralized body. The drill core samples have been submitted to the lab and the assay results will be reported once all of the results have been received.

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).

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended March 31st, 2009

The core samples were sent to SGS Laboratories in Lima Peru for analysis. The analytical results will be reported on receipt thereof and will be used to guide further exploration in 2008.

SELECTED ANNUAL & QUARTERLY INFORMATION

SELECTED ANNUAL INFORMATION

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 (\$)

	Mar 31, 2009	Dec 31, 2008	Sep 30, 2008	June 30, 2008	Mar 31, 2008	Dec 31, 2007	Sep 30, 2007	June 30, 2007
Total assets	6,531,994	6,711,494	6,954,887	6,623,464	6,637,672	7,521,310	18,810,910	19,462,156
Total liabilities	1,414,958	1,192,159	889,301	1,127,356	403,328	177,346	377,464	844,557
Shareholders equity	5,117,036	5,519,335	6,065,586	5,496,108	6,234,344	7,343,964	18,433,446	18,617,599
Revenues	3,072	44,232	531	2,237	2,629	16,536	32,984	25,359
Major expense items								
Mineral property exploration	50,231	953,352	415,608	941,164	628,423	5,864,408	0	0
Accounting and audit	2,607	46,200	6,700	6,875	5,000	68,096	7,512	0
Legal	4,460	40,587	12,367	35,640	44,236	21,560	14,722	38,387
Management fees	24,000	33,000	63,000	47,000	52,000	54,000	37,500	46,400
Consulting fees	0	1,000	27,758	35,190	25,229	37,960	43	28,115
Office, rent and	32,239	53,742	55,651	67,482	30,743	(117,713)	79,177	91,654

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended March 31st, 2009

misc.								
Stock-based compensation	0	(57,150)	20,430	77,208	507,704	527,648	12,028	65,205
Stock exchange and filing fees	5,050	16,067	2,674	920	11,707	14,846	0	5,206
Transfer agent fees	3,889	4,117	4,741	10,215	7,440	3,681	3,626	14,797
Net loss	402,299	827,296	898,142	1,417,298	1,495,520	6,892,156	196,180	333,862
Loss per share	0.01	0.01	0.01	0.02	0.02	0.13	0.01	0.01

SUMMARY OF QUARTERLY RESULTS

For the quarter ended March 31, 2009, the Company had revenues of \$3,072 compared to \$2,629 for the same period last year. Net loss decreased by \$1,093,221 to \$402,299 due largely to mineral property exploration and stock-based compensation as compared to the same period last year.

Major administrative expenditures for the year ended December 31, 2008 were:

	\$
Wages	187,158
Mineral property exploration	50,231
Office and miscellaneous	32,239
Management fees	24,000

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

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital was \$(1,200,580) as at March 31st, 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.

OUTSTANDING SHARE DATA

The total number of common shares outstanding as of March 31st, 2009 was 97,388,510.

WARRANTS

As at March 31st, 2009, the following warrants were outstanding:

Number of Warrants	Exercise price	Expiry date
3,514,000	\$0.50	April 2, 2010
13,656,039	\$0.10	September 15, 2009
1,845,075	\$0.10	October 9, 2009

STOCK OPTIONS

As at March 31st, 2009 there were 6,375,000 outstanding stock options exercisable at prices from \$0.30 to \$0.95 for up to 2013.

TRANSACTIONS

RELATED PARTY TRANSACTIONS

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended March 31st, 2009

During the period ended March 31, 2009, the Company incurred management fees of \$24,000 (2008: \$52,000) with directors and companies owned by directors.

During the period ended March 31, 2009, the Company incurred exploration expenditures and geological consulting fees of \$50,231 (2008: \$76,653) with companies owned by directors.

During the period ended March 31, 2009, the Company incurred consulting fees of \$Nil (2008: \$225) with officers of the Company.

During the period ended March 31, 2009, the Company incurred legal fees of \$4,460 (2008: \$33,027) with an officer who is principal of a law firm.

As of March 31, 2009, accounts payable and accrued liabilities included \$49,610 (2008: \$45,681) 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.

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

ACERO-MARTIN EXPLORATION INC.

Management Discussion & Analysis
For the Three Month Period Ended March 31st, 2009

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.

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
Don Currie
Victor L. McCall
Peter MacLean

OFFICERS

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