Management Discussion and Analysis

For the three month period ended

March 31, 2012

This management discussion and analysis ("MD&A") dated May 11, 2012 for Aston Hill Financial Inc. ("Aston Hill" or the "Company") should be read in conjunction with the condensed unaudited interim Consolidated Financial Statements ("interim Consolidated Financial Statements") for the period ended March 31, 2012 as well as the audited consolidated financial statements for the year ended December 31, 2011 (the "Consolidated Financial Statements"). The historical financial information of the Company can be found on SEDAR under Aston Hill Financial Inc.

This MD&A and the interim Consolidated Financial Statements and comparative information have been prepared in Canadian dollars, except where another currency has been indicated, and in accordance with International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada. Certain amounts in prior years have been reclassified to conform to the current year's presentation.

This MD&A contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to Aston Hill and its products and services, including its business operations, strategy and financial performance and condition. When used in this MD&A, such statements use such words as "may", "will", "expect", "believe", and other similar terms. These statements are not historical facts but instead represent management beliefs regarding future events, many of which, by their nature are inherently uncertain and beyond management control. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest rates, global financial markets, changes in government regulations, industry competition, technological developments and other factors described under "Risk Management" or discussed in other materials filed with applicable securities regulatory authorities from time to time. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that the investment fund industry will remain stable and that interest rates will remain relatively stable. The reader is cautioned against undue reliance on these forward-looking statements.

This MD&A includes several non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. However, management believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these financial measures in analyzing Aston Hill's results. These non-IFRS measures and reconciliations to IFRS, where necessary, are shown as *italicized* footnotes to the discussion throughout the document.

Financial Highlights

(in thousands except assets under management and, per share amounts)

	As at March 31, 2012	As at December 31, 2011	As at March 31, 2011	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**5.95**	5.67	3.24	5%	84%
Total assets	**62,245**	65,805	20,150	-5%	209%
Shares outstanding	**72,401**	72,626	71,358	0%	1%

For the quarter ended	**Mar 31, 2012**	Dec 31 2011	Mar 31 2011	% change quarter-over-quarter	% change year-over-year
Total revenues	**$ 6,159**	$ 6,086	$ 3,189	1%	93%
Total expenses excluding finance expense	**4,806**	4,605	3,396	4%	42%
Total finance expense	**1,050**	1,074	12	-2%	8650%
Income before income taxes	**$ 303**	$ 407	$ (219)	-26%	286%
Income taxes expense (recovery)	**726**	476	37	53%	1862%
Net loss	**$ (423)**	$ (69)	$ (256)	-513%	-65%
Per share - Basic	**$ (0.006)**	$ (0.001)	$ 0.015	-500%	-140%
Per share - Diluted	**$ (0.006)**	$ (0.001)	$ 0.015	-400%	-140%
Cash dividends recorded per share	**$ 0.01**	$ 0.01	$ 0.01	0%	0%
EBITDA*	**$ 1,498**	$ 1,651	$ (105)	-9%	1527%
Average shares outstanding	**72,795**	73,737	71,029	-1%	2%

**EBITDA (Earnings before interest, taxes, depreciation and amortization) is not a standardized earnings measure prescribed by IFRS; however, management believes that most of its shareholders, creditors, other stakeholders and investment analysts prefer to include the use of this performance measure in analyzing the Company's results. Aston Hill's method of calculating this measure may not be comparable to similar measures presented by other companies. EBITDA is a measure of operating performance, a facilitator for valuation and a proxy for cash flow.*

Overview

As of May 11, 2012 Aston Hill Financial Inc. ("Aston Hill" or the "Company") is a corporation listed on the Toronto Stock Exchange (the "TSX") under the symbol AHF. Previously, Aston Hill was listed on the TSX Venture Exchange. The Company is incorporated under the Business Corporations Act (Alberta). The principal business of Aston Hill is the management, marketing, distribution and administration of mutual funds, private equity funds, hedge funds, segregated institutional funds, as well as oil and gas property management and other fee-based investment products for Canadian investors. The Company's expertise is in income products, resource investments, and the oil and gas industry. Aston Hill operates through two distinct divisions, Financial Portfolio Management and Advisory, and Oil & Gas Property Management. The Financial Portfolio Management division provides the majority of Aston Hill's income which derives its revenue principally from the fees earned on the management and sub-advisory fees of several families of mutual, pooled and closed-end funds, structured products and discretionary accounts. The Oil & Gas Property Management division earns its revenues principally from the management and administration of Canadian oil and gas entities.

Aston Hill's assets under management, advisory and administration ("AUM") for the first quarter of 2012 increased 5% from the fourth quarter of 2011 reaching $5.95 billion. This reflects the positive results of net sales of Aston Hill's mutual funds under management, IA Clarington funds under sub-advisory, and a new sub-advisory mandate with Propel Capital, the Strategic Income Allocation Fund. For the three months ended March 31, 2012 the Company generated gross subscriptions within its proprietary mutual funds of $41.4 million and net subscriptions of $32.9 million. This represented first quarter growth on the Company's reporting issuer open-ended mutual funds of 29%.

Aston Hill's revenues for the first quarter of 2012 increased $73,000 from the fourth quarter of 2011 and $2,970,000 from one year ago. The increase in revenue quarter over quarter is a result of increased assets under management from increase marketing efforts. The increase in revenues year over year is the result of the acquisitions completed in 2011, and organic growth of our existing sub-advisory product under management. The $208,000 decrease in General & Administrative ("G&A") quarter over quarter is the result of an increase in salaries and benefits offset by a decreases in marketing, office, audit and legal, shareholder reporting, and sub-advisory expenses. The year to year increase in G&A of $793,000 is primarily the result of the acquisitions completed in the third quarter of 2011 as well as the quarterly provision for short-term incentive payments which the Company commenced recording on a quarterly basis in the fourth quarter of 2011.

On July 27, 2011 Aston Hill acquired the business of Morrison Williams Investment Management LP and its wholly-owned subsidiary, Morrison Williams Capital Advisors Inc. (together referred to as "Morrison Williams") for total cash consideration of $11.5 million. The acquisition of Morrison Williams represented approximately $1.6 billion in assets under management. Morrison Williams is a portfolio management firm focused primarily on managing money for non-taxable institutional investors such as pension funds and, for high net worth individuals and other taxable investors.

Concurrently, Aston Hill purchased all of the issued and outstanding shares of BFML Management Limited ("BFML"), which was then renamed Aston Hill Management Limited ("Aston Hill Management" or "AHML"), for total cash consideration of $28 million. AHML holds all of the management agreements for seven investment funds listed on the Toronto Stock Exchange previously managed by BFML which represented approximately $800 million in assets under management at the time of acquisition.

To finance the acquisitions, the Company completed a bought deal financing of 6.00% extendible convertible unsecured subordinated debentures ("Convertible Debentures") for net proceeds of approximately $38 million. The Convertible Debentures originally traded on the TSX Venture Exchange under the symbol AHF.DB, but as of May 7, 2011, trade under the same symbol on the TSX. The Convertible Debentures bear interest at a rate of 6.0% per annum, payable semi-annually on July 31 and January 31, and are convertible at the option of the holder into common shares of Aston Hill ("AH Shares") at a conversion price of $2.55 per common share. Aston Hill also entered into a definitive agreement with a Canadian chartered bank and opened a non-revolving term credit facility (the "Non-Revolving Facility") in the amount of $6 million and revolving term facility (the "Revolving Facility") in the amount of $4 million. The Company used the net proceeds from the Convertible Debentures, and the full $6 million Non-Revolving Facility to finance the acquisitions.

As at March 31, 2012 the balance drawn on the Non-Revolving Facility was $3.0 million. Subsequently, on April 30, 2012 Aston Hill repaid $0.5 million on the Non-Revolving Facility leaving the balance drawn at $2.5 million as of May 11, 2012.

Financial Portfolio Management and Advisory

Aston Hill Asset Management Inc. ("AHAM"), is a Toronto-based registered Investment Fund Manager ("IFM") specializing in the development, sales, and management of closed-end mutual funds, open-end mutual funds and hedge funds.

On December 30, 2011, five subsidiary companies wholly owned by Aston Hill amalgamated with AHAM. The significant companies amalgamated were:

- Aston Hill Investments Inc. ("AHI"), formerly Catapult Financial Management Inc. ("Catapult Financial"), an Alberta company and IFM that provided management and advisory services to private energy and flow-through share limited partnerships. As well, AHI was the portfolio advisor for IA Clarington, Redwood Funds, First Asset, and BMO.
- Aston Hill Management Limited, was the IFM for the seven TSX-listed funds that were acquired on July 27, 2011. AHAM currently utilizes Manulife Asset Management and Highstreet Asset Management Inc. as the portfolio sub-advisors on four of these seven funds.

On December 29, 2011, AHAM acquired the net assets of Morrison Williams Investment Management LP, an IFM led by its former managing partners, Barry A. Morrison and K. Leslie Williams. Morrison Williams was founded in 1992 and is the sub-advisor of the Renaissance Millennium High Income Fund. Morrison Williams specializes in offering a specialized, disciplined and service-oriented approach to the discretionary management of investment funds, in particular, to pooled pension and high net-worth funds.

AHAM manages the Aston Hill Group of Funds and has sub-advisory relationships with IA Clarington Investments Inc. ("IA Clarington"), Redwood Asset Management Inc. ("Redwood Funds"), First Asset Management Inc. ("First Asset"), and BMO Nesbitt Burns ("BMO"). Ten licensed portfolio managers including Ben Cheng, Barry A. Morrison, K. Leslie Williams, Alexander (Sandy) Liang, Jeffrey Burchell, Andrew Hamlin, Vivian Lo, and Robert Gill in the Toronto office; and Joanne Hruska and Carol Pretty in the Calgary office are responsible for the Financial Portfolio Management and Advisory division of Aston Hill.

Oil & Gas Property Management

Aston Hill identifies potential oil and natural gas exploration and development opportunities in both the private and public sectors within its oil and gas management division. The mandate is to identify, acquire and manage oil and gas properties on behalf of both institutional and retail investors.

The Company is acting as the promoter for Argent Energy Trust (the "Trust") a Canadian energy trust that is not a specified investment flow through ("SIFT") trust. The preliminary prospectus for the Trust was filed on May 11, 2012. The Trust will hold oil and gas assets in the United States and is intending to provide its unitholders with a monthly distribution targeting approximately 9% in annual yield. On successful closing of the financing for the Trust, Aston Hill will provide administrative services on an on-going basis. Upon closing, the Company is anticipating to add $350 million in assets under administration.

Throughout the first quarter of 2012 Aston Hill continued to manage the assets of Sword Energy Inc. ("Sword"), a private oil and gas company. In order to focus on Argent Energy Trust the Company's management agreement with Sword Energy Inc. was substantively terminated on April 20, 2012. The termination results in a reduction in assets under management of approximately $182 million.

Until April 20, 2012 Aston Hill received management fees for providing Sword with management consulting services. Aston Hill's ownership interest in Sword continues to be 2.75%.

Business Outlook

The Company's primary focus for the remainder of 2012 continues to be on integration of its operations in the Financial Portfolio Management division. Aston Hill is focused on the two primary objectives in this space. The first is to continue to make key strides in the performance, management, and marketing of the Aston Hill branded investment funds, in conjunction with delivering results to our IA Clarington and other sub-advisory mandates. The second primary objective is to continue to provide our pension and high net-worth clients with superior yields and investment returns through the Company's disciplined, service-orientated approach. Aston Hill is approaching the implementation phase of its new asset and investment order management system to meet the business needs of Aston Hill's group of companies and its primary stakeholders. Aston Hill is also actively pursuing other institutional and private equity investors as opportunities arise in both the Oil and Gas Property Management and the Financial Portfolio Management divisions.

Assets under Management & Advisory

Total AUM, which includes closed-end and open-ended mutual funds, hedge funds, separately managed accounts, structured products, pooled assets, and oil and gas properties, was $5.95 billion at March 31, 2012, an increase of 84% from $3.24 billion at March 31, 2011. The following tables summarize the AUM and various investment profiles managed by Aston Hill:

Assets Under Management

(in millions of Canadian dollars)

		March 31 2012		December 31 2011		March 31 2011
Assets under Management and Advisory						
Financial Portfolio Management	**$**	**2,069**	$	2,002	$	191
Oil and natural gas properties		**182**		214		326
Assets Under Management		**2,251**		2,216		517
Financial Portfolio Advisory		**3,698**		3,451		2,722
Total Assets under Management and Advisory	**$**	**5,949**	$	5,667	$	3,239

Breakdown of Managed and Advised Reporting Issuers:

Financial Portfolio Management:

Closed-end funds:

Aston Hill Advantage VIP Income Fund
Aston Hill VIP Income Fund
Aston Hill Advantage Oil & Gas Income Fund
Aston Hill Oil & Gas Income Fund
Aston Hill Global Uranium Fund
Aston Hill Senior Gold Producers Income Corp.
Aston Hill Advantage Bond Fund
Aston Hill Global Agribusiness Fund

Mutual funds:

Aston Hill Growth & Income Fund & Corporate Class
Aston Hill Capital Growth Fund & Corporate Class
Aston Hill Strategic Yied Fund & Corporate Class
Aston Hill Money Market Fund & Corporate Class
Aston Hill Global Resource Fund & Corporate Class
Lawrence Enterprise Fund Inc.

Financial Portfolio Advisory:

Closed-end funds:

IA Clarington Aston Hill Tactical Yield Fund
BMO Star Yield Managers Class
First Asset Preferred Share Investment Trust
Strategic Income Allocation Fund

Mutual funds:

IA Clarington Tactical Income Fund & Class
IA Clarington Global Tactical Income Fund & Class
IA Clarington Tactical Bond Fund & Class
IA Clarington Energy Class
Renaissance Millennium High Income Fund
Ark Aston Hill Monthly Income Class
Ark Aston Hill Energy Class
Ark Catapult Energy Class Fund

Results of Operations

Summary of Quarterly Results

(in thousands of Canadian dollars, except per share amounts)

Three months ended,	**March 31 2012**	December 31 2011	September 30 2011	June 30 2011
Revenues	**$ 6,159**	$ 6,086	$ 5,366	$ 3,538
Expenses				
General and administrative	**3,774**	3,982	2,317	1,927
Product Development	**121**	397	6	259
Share based payments	**633**	535	414	290
Depreciation of property & equipment	**52**	69	67	67
Amortization of deferred sales commissions	**93**	101	52	53
Trailer fees	**170**	67	118	73
Commissions	**39**	-	-	-
Net losses (profits) on investments	**(76)**	(546)	40	72
Finance expense	**1,050**	1,074	724	32
Total expenses	**5,856**	5,679	3,738	2,773
Income (loss) before income taxes	**303**	407	1,628	765
Income taxes	**726**	476	564	178
Net income (loss) for the period	**$ (423)**	$ (69)	$ 1,064	$ 587
Net income (loss) - per share - basic	**$ (0.006)**	$ (0.001)	$ 0.015	$ 0.008
Net income (loss) - per share - diluted	**$ (0.006)**	$ (0.001)	$ 0.015	$ 0.008

	March 31 2011	December 31 2010	September 30 2010	June 30 2010
Revenue	$ 3,189	$ 3,035	$ 2,645	$ 2,029
Expenses				
General and administrative	2,981	2,580	1,415	1,080
Product Development	-	-	-	-
Share based payments	256	181	132	99
Depreciation of property & equipment	50	69	64	22
Amortization of deferred sales commissions	52	141	-	-
Trailer fees	23	20	29	2
Net losses (profits) on investments	34	(39)	1	21
Finance expense	12	(3)	11	6
Total expenses	3,408	2,949	1,652	1,230
Income (loss) before income taxes	(219)	86	993	799
Income taxes	37	357	(148)	406
Net income (loss) for the period	$ (256)	$ (271)	$ 1,141	$ 393
Net income (loss) - per share	$ (0.004)	$ (0.004)	$ 0.017	$ 0.006
Net income (loss) - per share diluted	$ (0.004)	$ (0.004)	$ 0.017	$ 0.006

For the quarter ended March 31, 2012, Aston Hill reported net income before income taxes of $303,000 an increase of 238% from the $219,000 loss for the quarter ended March 31, 2011 and a decrease of 26% from the $407,000 reported for the quarter ended December 31, 2011. For the quarter ended March 31, 2012, Aston Hill reported a net loss of $423,000 ($0.006 per share) an increase in the net loss of $167,000 from the $256,000 loss ($0.004 per share) for the quarter ended March 31, 2011 and an increase in the net loss of $354,000 from the $69,000 loss ($0.001 per share) for the quarter ended December 31, 2011.

Finance expense of $1,050,000 was recorded for the quarter ended March 31, 2012 compared with $1,074,000 for the quarter ended December 31, 2011 and $12,000 for the quarter March 31, 2011. The increase in finance expense from the prior-year period is the result of the interest and accretion expense on the Convertible Debentures and Non-Revolving Facility used to finance the acquisitions completed in July 2011. Aston Hill's higher average debt and borrowing costs are further discussed under "Liquidity and Capital Resources."

Pre-Tax Operating Earnings

(in thousands of Canadian dollars, except per share amounts)

		Quarter ended Mar 31, 2012		Quarter ended Dec 31, 2011		Quarter ended Mar 31, 2011
Income before income taxes	**$**	**303**	$	407	$	(219)
Less:						
Service fee revenue		**(49)**		(48)		(52)
Non-cash management fees		**-**		(17)		(14)
Add:						
Net losses (profits) on investments		**(76)**		(546)		34
Amortization of deferred sales commissions		**93**		101		52
Share based payments expense		**633**		535		256
Pre-tax operating earnings	**$**	**904**	$	432	$	57
Per share	**$**	**0.012**	$	0.006	$	0.001

Aston Hill uses pre-tax operating earnings to assess its underlying profitability. Aston Hill defines pre-tax operating earnings as income before income taxes less service fee revenue, non-cash management fees, performance fees and investment gains, plus investment losses, amortization of deferred sales commissions, depreciation of property and equipment and share-based payments expense.

Pre-tax operating earnings, as set out in the table above, was $904,000 in the first quarter of 2012, an increase of 109% from the fourth quarter of 2011 and 1486% from the first quarter of the prior year. These changes year-over-year reflect the acquisitions and related financings completed in the third quarter of 2011. The increase from the prior quarter is the result of the increase in AUM, as well as operating efficiencies from economies of scale.

As illustrated in the following table, EBITDA for the quarter ended March 31, 2012 was $1,498,000 ($0.021 per share) compared with negative EBITDA of $105,000 ($0.001 EBITDA loss per share) for the quarter ended March 31, 2011 and $1,651,000 ($0.022 per share) for the quarter ended December 31, 2011. The 9% decrease from the prior quarter is the result of a one-time gain realized in the fourth quarter of 2011 on the settlement of a note payable in the amount of $233,000 that was not recurring in the first quarter of 2012. First quarter 2012 EBITDA was also affected by increased trailer fee expenses on Aston Hill's mutual funds, and increased share based payments expense. The $1,603,000 year-over-year increase in quarterly EBITDA was primarily due to the 84% increase in AUM for the same period.

EBITDA

(in thousands of Canadian dollars, except per share amounts)

		Quarter ended March 31, 2012		Quarter ended December 31, 2011		Quarter ended March 31, 2011
Net Income (loss) for the period	**$**	**(423)**	$	(69)	$	(256)
Add (deduct):						
Finance expense		**1,050**		1,074		12
Current Income tax expense (recovery)		**394**		(119)		15
Future income tax expense (recovery)		**332**		595		22
Amortization of deferred sales commissions		**93**		101		52
Depreciation of property and equipment		**52**		69		50
EBITDA	**$**	**1,498**	$	1,651		(105)
Per diluted share	**$**	**0.021**	$	0.022	$	(0.001)
EBITDA margin (as a % of revenue)		**24%**		27%		-3%

Aston Hill uses EBITDA (earnings before interest, taxes, depreciation and amortization) to assess its underlying profitability prior to the impact of financing expenses, income taxes the amortization of deferred sales commissions, and property and equipment. EBITDA permits comparisons of companies within the industry, before any distortion caused by different financing methods and levels of taxation. EBITDA is used as a measure of operating performance, facilitates valuation and is a substitute for cash flow.

EBITDA as a percentage of total revenues (EBITDA margin) for the first quarter of 2012 was 24%, up from -3% in the same quarter last year and down 3% from 27% in the prior quarter. The significant increase in EBITDA margin from the quarter one year ago is the result of the incremental revenue from the acquisitions completed in the third quarter of 2011, partially offset by fact that the Company commenced estimating and providing for its annual Short-term incentive plan (“STIP”) payments on quarterly basis in the fourth quarter of 2011.

The Company expensed $121,000 (March 31, 2011 - $nil) in product development in the first quarter of 2012. Based on the early stage of development of some of the Company’s investment funds, the Company feels it is in its best interest to bear the burden of some of these fund expenses to maintain the management expense ratio of each of its primary funds at an acceptable level.

Revenues

Revenues from management fees were $6,159,000 for the quarter ended March 31, 2012, an increase of 93% from the $3,189,000 earned during the quarter ended March 31, 2011 and up 1% from $6,086,000 for the quarter ended December 31, 2011. The changes year-over-year were mainly attributable to the acquisitions completed in July 2011 and the corresponding increase in AUM, which was up 84% and 5% from the quarters ended March 31, 2011 and December 31, 2011, respectively.

Expenses

General & administrative (“G&A”) expenses were $3,774,000 for the quarter ended March 31, 2012, an increase from $2,981,000 for the first quarter in 2011 and a decrease from the $3,982,000 incurred in prior quarter.

The $208,000 decrease in G&A quarter over quarter is the result of an increase in salaries and benefits offset by a decreases in marketing, office, audit and legal, shareholder reporting, and sub-advisory expenses. The year to year increase in G&A of $793,000 is primarily the result of the acquisitions completed in the third quarter of 2011 as well as the quarterly provision for short-term incentive payments which the Company commenced recording on a quarterly basis in the fourth quarter of 2011.

As a percentage of assets under management, G&A expenses were 0.063% for the quarter ended March 31, 2012, down from 0.092% for the quarter ended March 31, 2011 and 0.070% for the quarter ended December 31, 2011. The decrease is a result of the significant AUM acquired in the quarter ended September 30, 2011, Aston Hill's ability to keep a large proportion of its G&A costs fixed, offset by increases in headcount and some operating expenses incurred as a result of Aston Hill's rapid growth.

Share based payments expense were $633,000 for the quarter ended March 31, 2011 compared with an expense of $256,000 in the quarter ended one year ago and $535,000 in the prior quarter. The increase in share based payments is the result of options granted at a higher Black-Scholes valuation in the last three years under the Company's pre-existing stock option plan and as a result of the implementation of two additional share based payment plans in the second half of 2011. The additional share based payment plans were a result of the acquisition of Morrison Williams and the additions of key members of management to Aston Hill. The new share based payments plan implemented during 2011 for key employees was introduced to attract key talent and to remain competitive within the asset management market.

Liquidity and Capital Resources

Aston Hill generated $1,688,000 of operating cash flow in the quarter ended March 31, 2012 up $1,624,000 compared with $64,000 in the same quarter last year. Aston Hill measures its operating cash flow before the change in working capital and the actual cash amount paid for interest and income taxes, as these items can distort cash flow generated during the period. Working capital is affected by seasonality, interest on the Convertible Debentures is paid semi-annually, and tax installments paid can differ materially from the current tax expense accrual. Aston Hill's main uses of capital are the repayment of principal owing on its Non-Revolving Facility, interest payments on its Convertible Debentures, investments in marketable securities, funding of sales commissions, payment of periodic dividends on its shares, and for funding capital expenditures. At current levels of cash flow, Aston Hill produces sufficient cash to meet its obligations and to make principal repayments on its Non-Revolving Facility.

Aston Hill paid sales commissions and trailer fees of $531,000 in the quarter ended March 31, 2012. This compares to $23,000 in the same quarter of 2011. This is a result of incremental sales on the Aston Hill mutual funds under the low-load, deferred sales charge option. This option was created in the second half of 2011 as a sales incentive on specified series of units or shares in specified funds.

The fair value of marketable securities at March 31, 2012 was $2,120,000. Marketable securities are comprised of seed capital investments in its newly created Corporate Class funds, and other strategic investments. During the quarter, Aston Hill invested $850,000 in additional marketable securities and recorded a net unrealized gain and realized gain on its marketable securities of $35,000 and $44,000 respectively.

As at March 31, 2012, the Company's long-term investment in Sword had an estimated fair value of $4,998,000 (December 31, 2011 - $5,880,000). The Company recorded an unrealized decrease in the fair value of long-term investments for the three month period ended March 31, 2012 of $882,000. The fair value of the investment in Sword is recalculated quarterly based on internal and external reserve evaluations and estimates as well as conventional valuation methods for valuing privately held interests in accordance with generally accepted accounting principles. The fair value is affected significantly by a volatile oil and natural gas pricing environment; therefore, changes in the fair value from the Sword investment may fluctuate materially from quarter to quarter.

Summary Balance Sheet Data as at March 31, 2012 and December 31, 2011

(in thousands of Canadian dollars)

		March 31 2012		December 31 2011
Current Assets	**$**	**10,493**	$	13,431
Non current assets		**51,752**		52,374
Total Assets	**$**	**62,245**	$	65,805
Current liabilities	**$**	**5,009**	$	6,541
Non current liabilities		**36,966**		37,812
Total Liabilities	**$**	**41,975**	$	44,353
Shareholders' Equity		**20,270**		21,452
Total Liabilities & Shareholders' Equity	**$**	**62,245**	$	65,805

The balance sheet for Aston Hill at March 31, 2012 reflects total assets of $62,245,000, a decrease of $3,560,000 from $65,805,000 at December 31, 2011. This change can be attributed to a decrease in current assets of $2,938,000 a decrease in long-term assets of $622,000. Aston Hill's cash and cash equivalents decreased by $3,466,000 in the first quarter of 2012 primarily due to the payment of dividends, interest on the Convertible Debentures, principal repayment on the Non-Revolving Credit Facility, and through the remittance of income taxes.

Accounts receivable increased to $3,836,000 at March 31, 2012 from $3,745,000 at December 31, 2011. The increase relates to incremental management fees receivable from increased AUM.

Total liabilities decreased to $41,975,000 at March 31, 2012 from $44,353,000 at December 31, 2011. The primary contributor to this change was the decrease in current income tax payable, and $500,000 principal repayment on the Non-Revolving Credit Facility. At March 31, 2012 the Convertible Debentures debt component had a carrying value of $38,248,000 and the Non-Revolving Facility has a carrying value of $2,796,000. The Company also recorded an increase in deferred income tax liabilities of $215,000 during the first quarter of 2012.

Any amounts borrowed on the Revolving Facility, is due and payable within two years from July 27, 2012. The limit on the Revolving Facility at March 31, 2012 was $4,000,000, and had an outstanding balance of $nil.

Aston Hill's debt-to-EBITDA ratio excluding the Convertible Debentures and the Juno Debenture as at March 31, 2012 was 0.34 to 1. Aston Hill expects that the amount of excess cash flow generated will pay down debt and the ratio of debt to EBITDA will trend lower. Aston Hill is within its financial covenants with respect to its credit facility, which requires that the debt-to-EBITDA ratio remain below 1.2 to 1, and assets under management not fall below $4.6 billion.

Shareholders' equity decreased by $1,182,000 during the three months ended March 31, 2012. The decrease is a result of the $723,000 in dividends paid, plus a total comprehensive loss for the three months ended of $1,195,000, offset by increases in contributed surplus of $528,000 related to stock based compensation. In addition, during the three months ended March 31, 2012, 30,600 common shares were repurchased under the Company's normal course issuer bid, resulting in a decrease in equity of $49,000.

Risk Management

The disclosures below provide an analysis of the risk factors affecting Aston Hill's business operations.

Market Risk

Market risk is the risk for financial loss to the Company from changes in the values of its financial instruments due to changes in interest rates, foreign exchange rates, and equity or commodity prices.

- Interest rate risk is the risk of gain or loss due to the volatility of interest rates.
- Foreign exchange rate risk is the risk of gain or loss due to volatility of foreign exchange rates.

- Equity risk is the risk of gain or loss due to the changes in prices and volatility of individual equity instruments and equity indexes.

The Company's financial instruments are generally denominated in Canadian dollars and do not have significant exposure to changes in foreign exchange rates.

Aston Hill's financial performance is indirectly exposed to market risk. Any decline in financial markets or lack of sustained growth in such markets may result in a corresponding decline in performance and may adversely affect Aston Hill's assets under management and management fee revenue, which would reduce cash flow to the Company and ultimately impact its ability to manage its capital. Aston Hill has established a control environment that ensures market risks are reviewed regularly and that risk controls throughout Aston Hill are operating in accordance with regulatory requirements. Exposure to interest rate risk, foreign currency risk and equity risk is monitored and when a particular market risk is identified, portfolio managers of the funds are directed to mitigate the risk by reducing their exposure.

The Company's financial assets and liabilities are comprised of cash and cash equivalents, trade and other receivables, marketable securities, notes receivable, long term equity investments, trade and other payables, credit facilities, debentures, and other financial liabilities held for trading.

The fair values of cash and cash equivalents, trade and other receivables, notes receivable, and trade and other payables approximate their carrying amount due to the short-term maturity of those instruments.

The Company's securities holdings are classified at fair value through profit or loss and at fair value through other comprehensive income, therefore unrealized gains and losses on securities are recorded in income or other comprehensive income as changes in fair value. As at March 31, 2012, the impact of a 5% increase or decrease in the value of the Company's held for trading portfolio would have been an approximate $106,000 (March 31, 2011 - $81,000) unrealized gain/loss recorded in income. As at March 31, 2012, the impact of a 5% increase or decrease in the value of financial assets at fair value through other comprehensive income would have been an approximate $250,000 (March 31, 2011 - $419,000) unrealized gain/loss recorded in other comprehensive income. Due to the current financial market conditions, there is additional market risk that may affect the short term and long term value of these financial assets and liabilities.

Credit Risk

Credit risk is the potential for financial loss to the Company if a third party to a transaction fails to meet its obligations. Aston Hill is exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations. These parties include trading counterparties, customers, exchanges, and other financial intermediaries, as well as issuers whose securities are held by Aston Hill. These parties may default on their obligations due to liquidity issues, bankruptcy, operational failure or other reasons. Aston Hill does not have a significant exposure to any individual counterparty and the risk is mitigated by regularly monitoring credit performance.

The Company's cash and cash equivalents, trade and other receivables, notes receivable, and marketable securities, are subject to credit risk.

Cash and cash equivalents primarily consist of highly liquid temporary deposits with a Canadian chartered bank, or bankers' acceptances. The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits. The Company's maximum credit exposure is $8,351,000, which is the sum of its cash and cash equivalents, trade and other receivables, notes receivable, and prepaid deposits, as reported on the statement of financial position as at March 31, 2012.

Concentration risk

Significant amounts of the Company's accounts receivable are due from related parties. As at March 31, 2012, 37% (December 31, 2011 - 40%) of accounts receivable are due from related parties. The Company believes that the entire accounts receivable balance is collectible. Accordingly, management has not provided for an allowance for doubtful accounts as at March 31, 2012.

Despite the Company's mitigation of credit risk, there is additional risk due to the current state of the financial market.

Investment Performance of the Funds

If the funds managed by Aston Hill are unable to achieve investment returns that are competitive with or superior to those achieved by other comparable investment products offered by Aston Hill's competitors, such funds may not attract assets through gross sales or may experience redemptions, which may have a negative impact on Aston Hill's assets under management. This would have a negative impact on Aston Hill's revenue and profitability.

Dependence on Senior Management

The success of Aston Hill and its strategic focus is dependent to a significant degree upon the contributions of senior management. The loss of any of these individuals, or an inability to attract, retain and motivate sufficient numbers of qualified senior management personnel on the part of Aston Hill, could adversely affect Aston Hill's business. To partially mitigate this risk, Aston Hill has purchased "key man" insurance with respect to two of its officers and will continue to do so for the indefinite future.

Competition

Aston Hill competes with a large number of mutual fund companies and other providers of investment products, investment management firms, and other financial institutions. Many of these competitors have greater capital and other resources, and offer more comprehensive lines of products and services than Aston Hill. The trend toward greater consolidation within the investment management industry has increased the strength of a number of Aston Hill's competitors.

Aston Hill success is largely dependent on its ability to compete in the current Canadian wealth management environment. The Company's success will be based upon a number of factors including the range of products offered, brand recognition, investment performance, business reputation, financing strength, management and sales relationships, quality of service, level of fees charged and level of commissions and other compensation paid.

Aston Hill's competitors seek to expand market share by offering different products and services than those offered by Aston Hill. There can be no assurance that Aston Hill will maintain its current standing, and that may adversely affect the business, financial condition or operating results of Aston Hill.

Risks of Significant Redemptions of Aston Hill's Assets under Management

The Company's revenues depend largely on the value and composition of its investment fund assets under management. The level of assets under management is influenced by sales, redemption rates, and investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment performance, and other factors. Increased competition and market volatility has contributed to redemptions and diminished sales for participants in the Canadian wealth management industry.

Sufficiency of Insurance

Aston Hill and its subsidiaries maintain various types of insurance which may include financial institution bonds, errors and omissions insurance, directors', trustees' and officers' liability insurance, and general commercial liability insurance. There can be no assurance that claims will not exceed the limits of available insurance coverage that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost or that any insurer will not dispute coverage of certain claims due to ambiguities in the policies. A judgment against any member of Aston Hill in excess of available coverage could have a material adverse effect on the Company in terms of damages awarded and the impact on the reputation of Aston Hill.

General Business Risk and Liability

Given the nature of Aston Hill's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing Aston Hill, its directors, officers, employees or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions, or the suspension or revocation of Aston Hill's subsidiaries' right to carry on their existing business. Aston Hill may incur significant costs in connection with such potential liabilities.

Regulation of Aston Hill

Certain subsidiaries of Aston Hill are heavily regulated in all jurisdictions where they carry on business. Laws and regulations applied generally grant government agencies and self-regulatory bodies broad administrative discretion over the activities of Aston Hill, including the power to limit or restrict business activities as well as impose additional disclosure requirements on Aston Hill products and services. Possible sanctions include the revocation or imposition of conditions on licenses to operate certain businesses, the suspension or expulsion from a particular market or jurisdiction of any of Aston Hill's business segments or its key personnel or financial advisors, and the imposition of fines and censures. To the extent that existing or future regulations affect the sale or offering of Aston Hill's product or services in any way, the Company's assets under management and its revenues may be adversely affected.

Liquidity Risk & the impact of Credit Facilities & Convertible Debentures

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. In addition to the Company's current balance of cash and cash equivalents, other potential sources of liquidity include the Company's marketable securities, accounts receivable, and its revolving credit facility. The Company's continued ability to access capital markets to raise funds is dependent on market conditions that are subject to change.

The timing of cash outflows relating to financial liabilities are as follows:

(in thousands of Canadian dollars)

As at March 31, 2012		Carrying amount	Contractual cash flows	Less than one year	One - two years	Two - five years	More than five years
Financial liabilities:							
Trade and other payables		$ 1,069	$ 1,069	$ 1,069	$ -	$ -	$ -
Current income tax payable		30	30	30	-	-	-
Obligation to redeem LPF shares [(1)]		440	440	440	-	-	-
Term credit facility	-principal	2,796	3,000	3,000	-	-	-
	-interest	-	91	91	-	-	-
Juno debentures	-principal	250	250	250	-	-	-
	-interest	-	2	2	-	-	-
Convertible debentures	-principal	39,115	40,250	-	-	40,250	-
	-interest	-	11,214	2,665	4,837	3,712	$ -
		$ 43,700	**$ 56,346**	**$ 7,547**	**$ 4,837**	**$ 43,962**	**$ -**

[(1)] The Company's obligation to redeem LPF shares to the previous shareholders of Aston Hill Asset Management Inc. (formerly Navina Asset Management Inc.) will be settled from the cash proceeds upon disposition of the Company's shares held in LPF.

The ability of Aston Hill to settle its obligations and generate a return for its shareholders is subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness of Aston Hill and its subsidiaries. The degree to which Aston Hill is leveraged could have important consequences to shareholders, including:

- Aston Hill's ability to obtain additional financing for working capital;
- limitations of future acquisitions;

- Inability to refinance indebtedness;
- Dedicating a significant portion of Aston Hill's cash flow from operations to the payment of the principal and interest on its indebtedness, and thereby reducing the funds available for future operations.

The Credit Facilities contain a number of financial covenants that require Aston Hill to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in Aston Hill's credit facility could result in a default which, if not cured or waived, could result in acceleration of the relevant indebtedness. Further, the Credit Facilities are secured by an unlimited guarantee of Aston Hill, a limited guarantee from each of Aston Hill's material subsidiaries, an assignment of all service and management contracts, an assignment of a key executive's key man life insurance policy, a pledge of the share capital of each of Aston Hill's subsidiaries, and of all of the equity securities held by Aston Hill and its group of companies.

Prevailing interest rates will affect the market value of the Convertible Debentures. The price or market value of the Convertible Debentures will decline as prevailing interest rates for comparable securities rise. The Convertible Debentures are direct, unsecured, and subordinated obligations of Aston Hill and are not secured by any mortgage, pledge, hypothec or other charge and will rank equally with one another and with all other existing and future unsecured indebtedness of Aston Hill. Therefore, there can be no assurance that future borrowings or equity financing will be available to Aston Hill or available on acceptable terms in an amount sufficient to fund Aston Hill's needs.

Commitment of Key Personnel

The success of Aston Hill is also dependent upon the skills and expertise of its human resources including the management and investment personnel and its personnel with skills related to marketing, risk management, credit, information technology, accounting, administrative operations and legal affairs. These individuals play an important role in developing, implementing, operating, managing and distributing Aston Hill's products and services. Accordingly, the recruitment of competent personnel, continuous training and transfer of knowledge are key activities that are essential to Aston Hill's performance. In addition, the growth in assets under management in the industry and the reliance on investment performance to sell financial products has increased the demand for experienced and high-performing portfolio managers. Compensation packages for these managers may increase at a rate well in excess of inflation and well above the rates of increases observed in other industries and the rest of the labour market. Aston Hill believes that it has the resources necessary for the operation of Aston Hill's business. The loss of these individuals or an inability to attract, retain and motivate a sufficient number of qualified personnel could adversely affect Aston Hill's business.

Capital Requirements

Certain subsidiaries of Aston Hill are subject to minimum regulatory capital requirements. This requires Aston Hill to keep sufficient cash and other liquid assets on hand to maintain capital requirements rather than using them in connection with its business. Failure to maintain required regulatory capital by Aston Hill may subject it to fines, suspension or revocation of registration by the relevant securities regulator. A significant operating loss by a registrant subsidiary or an unusually large charge against regulatory capital could adversely affect the ability of Aston Hill to expand or even maintain its present level of business, which could have a material adverse effect on Aston Hill's business, results of operations, and financial position.

Related Party Transactions

The Company had the following related party transactions:

a) The Company's wholly owned subsidiaries receive management fees and sub-advisory fees and pay for expenses incurred by its various funds under management. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms. Management fees, sub-advisory fees and other amounts due from funds under management and included in accounts receivable at March 31, 2012 is $1,407,000 (December 31, 2011 - $1,480,000). For the three months ended March 31, 2012 $2,484,000 (March 31, 2011 - $500,000) was recorded as revenue in respect of these management fees. In addition, during the three months ended March 31, 2012, the Company absorbed $121,000 (March 31, 2011 - $nil) of expenses incurred by funds under management.

b) The Company manages a private oil and gas company and on behalf of the majority shareholders is paid a quarterly management fee in accordance with an executed management agreement. Accounts receivable includes $319,000 (December 31, 2011 - $346,000) as at March 31, 2012 in respect of these management fees. For the three months ended March 31, 2012 $304,000 (March 31, 2011 - $324,000) was recorded as revenue.

c) Notes receivable as at March 31, 2012 of $342,000 (December 31, 2011 - $342,000) are promissory notes due from funds under management. The notes are receivable on demand and accrue interest at a rate of prime plus 1% annually. Interest is calculated daily on the remaining balance and is receivable on a monthly basis on the last day of each month.

d) As at March 31, 2012, $907,000 (December 31, 2011 - $1,173,000) of the financial assets at fair value through profit or loss is related to holdings in the Company's funds under management. For the three months ended March 31, 2012, $32,000 (March 31, 2011 - $28,000) of the net gains on investments recorded during the period was related to these investments.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties.

Commitments and Guarantees

The Company is committed to lease office premises with future base rent payments as follows:

(in thousands of Canadian dollars)

	March 31 2012	December 31 2011
Less than one year	**$ 284**	$ 331
Between one and five years	**1,617**	883
More than five years	**458**	503
	$ 2,359	$ 1,717

The Company is also required to pay its proportionate share of operating and property tax costs for the premises.

The Company has agreed to indemnify certain individuals, who have acted at the Company's request to be an officer or director of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individual as a result of their services. The nature of the indemnification agreements prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to the beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks associated with such indemnification.

In the ordinary course of business, the Company and its subsidiaries enter into contracts which contain indemnification provisions, such as letter agreements, service agreements and purchase and sale agreements. In such contracts, the Company may indemnify counterparties to the contracts if certain events occur. In some cases the Company requires indemnities from its service providers, related to the Company's indemnification obligations to customers. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Company could be required to pay cannot be estimated.

Significant Accounting Policies & Estimates

The March 31, 2012 Interim Consolidated Financial Statements have been prepared in accordance with IFRS. The accounting policies followed in these interim Consolidated Financial Statements are the same as those applied in the Company's annual Consolidated Financial Statements for the period ended December 31, 2012. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect.

The Company carries significant intangible assets on its balance sheet. Aston Hill uses valuation models that use estimates of sales and redemptions of investment products as the primary determinants of fair value. Aston Hill uses a valuation approach based on a multiple of assets under management. Aston Hill has reassessed these variables in light of the current economic climate. Estimates of sales and redemptions are very likely to change as economic conditions either improve or deteriorate.

Effectiveness of Disclosure Controls and Procedures & Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have designed or caused the design of the Internal Controls over Financial Reporting ("ICFR") and Disclosure Controls and Procedures ("DC&P"). There has been no material weaknesses identified relating to the design of the ICFR and DC&P for the quarter ended March 31, 2012

Throughout the quarter ended March 31, 2012 management has continued with the implementation of additional internal control procedures and accounting expertise through the utilization of third party consultants.

It should be noted that while the Officers believe that the Company's controls provide a reasonable level of assurance with regard to their effectiveness, they do not expect that the DC&P or ICFR will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable but not absolute assurance that the objectives of the control system are met.

Outstanding Share Data

Capital	Authorized		Outstanding as at May 10, 2012	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited		73,000,613	Not applicable
Stock options	Not applicable		5,828,933	5,828,933
Convertible debentures (face value) 6.00% maturing 2016	Not applicable	$	40,250,000	15,784,314

[1] The Company received shareholder approval to reserve for issuance up to 10% of the issued and outstanding Common Shares at the date of the creation for its incentive stock option plan.

Subsequent events

On April 20, 2012 the Company's management agreement with Sword Energy Inc. was substantively terminated. The termination results in a reduction in assets under management of approximately $182 million. Management estimates that the impact of the termination to the Company's net income after tax will be approximately $155,000.

Other information

Reference is made in this Management Discussion & Analysis to the Company's consolidated financial statement disclosure for the relevant periods filed on the SEDAR website at www.sedar.com where additional disclosure relating to the Company can also be located.

Company Contact: Larry Titley, Vice President and Chief Financial Officer

Company Address: Suite 500, 321 – 6th Avenue S.W., Calgary, Alberta, T2P 3H3

Company Phone Number: (403) 770-4800

Company Fax Number: (403) 770-4850