ASTON HILL FINANCIAL INC.

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2011

MANAGEMENT DISCUSSION & ANALYSIS

This management discussion and analysis ("MD&A") document for Aston Hill Financial Inc. ("Aston Hill" or the "Company") should be read in conjunction with the unaudited interim consolidated financial statements for the three month period ended March 31, 2011 and the audited annual consolidated financial statements for the years ended December 31, 2010 and December 31, 2009 and the notes thereto of Aston Hill. The historical financial information of the Company can be found on SEDAR under Aston Hill Financial Inc.

All dollar amounts are referenced in thousands of Canadian dollars.

On January 1, 2011, Aston Hill adopted International Financial Reporting Standards ("IFRS") for financial reporting purposes, using a transition date of January 1, 2010. The financial statements for the three months ended March 31, 2011, including required comparative information, have been prepared in accordance with IFRS 1*, First-time Adoption of International Financial Reporting Standards*, and with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Previously, Aston Hill prepared its Interim and Annual Consolidated Financial Statements in accordance with previous Canadian generally accepted accounting principles ("previous GAAP"). Unless otherwise noted, 2010 comparative information has been prepared in accordance with IFRS.

The adoption of IFRS has not had a material impact on Aston Hill's operations, strategic decisions and cash flow. Information on the IFRS adjustments is provided in the Notes to Consolidated Financial Statements for the period ended March 31, 2011.

The information provided herein is effective as of June 8, 2011 and is, in part, based upon assumptions regarding future events and results, which may vary.

This MD&A contains forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the MD&A. Forward-looking statements are based on the estimates and opinions of Aston Hill's management at the time the statements were made.

OVERVIEW

Aston Hill is a company listed on the TSX Venture Exchange and incorporated under the *Business Corporations Act* (Alberta). The Company's business focus is on asset management with expertise in income products, energy investments, oil and gas property management and private equity. Aston Hill provides investment portfolio management and advisory services to funds and fund managers. To that end, Aston Hill has created wholly-owned subsidiary corporations and divisions which have defined platforms and objectives of their own, all as part of the Company's business plan.

BUSINESS INTERESTS

Aston Hill conducts business predominantly along two distinct divisional lines: Financial Portfolio Management and Advisory, and Oil and Gas Property Management.

Financial Portfolio Management and Advisory

Aston Hill and its subsidiaries manage the Aston Hill Group of Funds, the Catapult Group of Funds, and sub-advisory relationships with IA Clarington Investments Inc. ("IA Clarington"), Redwood Asset Management Inc. ("Ark Funds"), First Asset Management Inc. ("First Asset"), and BMO Nesbitt Burns ("BMO"). Six licensed portfolio managers including Ben Cheng, Jeff Burchell, Andrew Hamlin, and Vivian Lo 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.

Aston Hill Asset Management Inc. ("AHAM"), formerly known as Navina Asset Management Inc. ("Navina"), a Toronto based asset management firm specializing in the development, sales, and management of closed-end mutual funds, open-end mutual funds and hedge funds, was acquired on August 6, 2010 by Aston Hill. Aston Hill acquired all of the issued and outstanding common shares of Navina for total consideration of $4,277,144, of which $1,684,324 was paid in cash and the balance through issuance of 2,009,938 common shares of Aston Hill. The acquisition is subject to a potential earn-out of up to $1,800,000 if certain conditions are met. At the March 31, 2011 the Company has determined that the contingent consideration is unlikely to be rewarded. AHAM had $190.8 million in AUM as at March 31, 2011.

Aston Hill Investments Inc. ("AHI"), formerly Catapult Financial Management Inc. ("Catapult Financial"), an Alberta company and wholly owned subsidiary of Aston Hill, provides management and advisory services to private energy and flow-through share accounts. As well, AHI is currently involved in portfolio advisory for IA Clarington, Ark Funds, First Asset, and BMO.

IA Clarington Relationship

AHI is the portfolio sub-advisor for the IA Clarington Tactical Income Fund and IA Clarington Tactical Income Class ("Tactical Fund & Class"), the IA Clarington Global Tactical Income Fund and the IA Clarington Global Tactical Income Class ("Global Fund & Class"). The Tactical Fund & Class invests approximately one third to two-thirds of its portfolio in equity and other income generating securities and about one third to two thirds in fixed income securities and cash equivalents. The investment strategy of the Global Income Fund & Class is to seek out companies with stable earnings growth, strong management, solid balance sheet and a growing overall market share. The Global Income Fund & Class seeks to generate income and long-term capital growth by investing in a combination of equity and fixed income securities of companies located mainly in Europe and North America.

In 2010 AHI became the sub-advisor for the IA Clarington Aston Hill Tactical Yield Fund ("Tactical Yield Fund"). The Tactical Yield Fund's investment objectives are to provide unit-holders with monthly cash distributions, initially targeted to be 6.0% per Trust Unit per annum on the original offering price of $10.00 per unit and to maximize total returns for unit-holders, consisting of both cash distributions and capital appreciation, while reducing risk and preserving capital. The investment strategy is to invest in an actively managed, diversified portfolio comprised primarily of Canadian common, preferred equity, and income generating securities that provide a consistent and stable source of current income; and fixed income securities, including high yield corporate debt securities, and cash and cash equivalents.

Also in 2010 AHI became the sub-advisor to IA Clarington Tactical Bond Fund and IA Clarington Bond Class ("Tactical Bond Fund & Class") and IA Clarington Energy Class ("Energy Class"). The Tactical Bond Fund & Class invests in a mix of high quality fixed income securities as well as investment grade and higher yielding securities of North American corporate issuers. The Fund will generally be diversified across industry sector, size of issuer and credit rating. Energy Class selects equity securities based on a bottom-up stock selection approach by identifying companies with stable earnings growth, strong management teams, sound balance sheets and a growing overall market share that are trading at attractive prices. The Fund will seek to hold approximately 40-60 securities operating in the Canadian and global energy resource sector.

On February 8, 2010, Aston Hill announced that the agreements between its portfolio management subsidiary, AHI, and IA Clarington have been extended to further strengthen the nature and commitment of their relationship and facilitate a long-term business arrangement. The extended agreements include an amended sub-advisory agreement with IA Clarington that has an initial term of 5 years and is subject to early termination on two year's notice, or on the occurrence of certain events. An estimate of the financial effects and incremental revenue that will be earned on the advisory services to be performed in accordance with the renewed agreement is not determinable. As specified thresholds of assets under advisory with IA Clarington are achieved, AHI earned advisory fees are reduced on a step down basis.

As part of the extended agreement with IA Clarington, AHI has agreed that it will not manage or advise certain competing retail investment funds unless consented to by IA Clarington. Certain mandates existing on the date of the agreement are excluded from this restriction. In addition, if the assets under sub advisory by AHI for IA Clarington exceed certain specified thresholds during any calendar year, members of the investment advisory team managing those assets will become precluded from acting on the investment advisory team of other investment funds during the next calendar year (subject to certain exceptions).

IA Clarington, a subsidiary of Industrial Alliance Insurance and Financial Services Inc., markets a wide range of investment products, including mutual funds, segregated funds, principal protected notes and closed end funds managed by leading portfolio managers.

First Asset Relationship

Aston Hill provides portfolio advisory services for the First Asset Preferred Share Investment Trust (the "Trust"). The first closing for the Trust was on April 3, 2009 for $55 million. Aston Hill provides the Trust with investment portfolio advisory services.

The Trust invests in an actively managed portfolio comprised primarily of investment grade preferred shares and to a lesser extent investment grade corporate debt and convertible bonds in order to provide unit-holders with the opportunity for growth of their investment value through any capital appreciation of the portfolio and quarterly distributions.

Ark Funds Relationship

AHI provides advisory services to Ark Aston Hill Energy Class Mutual Fund ("Ark Energy Fund"), Ark Aston Hill Monthly Income Class Mutual Fund ("Ark Monthly Fund"), and Ark Catapult Energy Class Fund ("Ark Catapult Fund"). Redwood Asset Management Inc. is a Toronto-based manager and distributor of Ark mutual funds and hedge funds.

Ark Energy Fund is an open ended mutual fund corporation that focuses on investment in the energy sector and seeks to generate long-term capital growth through the investment in Canadian energy exploration and production companies.

The Ark Monthly Fund distributes a tax-efficient, fixed monthly distribution of 5 cents per unit. This fund invests in dividend paying equities and fixed income securities; having a flexible mandate in security selection, sector exposure and asset allocation.

Ark Catapult Fund's investment objective is to achieve long-term capital appreciation by investing primarily in the equity securities of Canadian energy and resource issuers.

Sword 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 institutional investors. In 2007, the Company, alongside Infra-PSP Canada Inc. ("PSP"), a wholly-owned subsidiary of the Public Sector Pension Investment Board ("PSPIB"), acquired all of the issued and outstanding trust units of Thunder Energy Trust ("Thunder"). Thunder was then privatized and Aston Hill manages the assets of the resultant private entity, Sword Energy Inc. ("Sword"). Aston Hill receives ongoing management fees for providing Sword with management consulting services and a performance bonus if certain hurdles are met. Aston Hill's ownership interest in Sword is 2.57%. The details of the management agreement and fee structuring are subject to confidentiality agreements, however are in line with comparable agreements in the oil and natural gas industry.

Other Business Interests

Juno Canada Holdings Ltd. ("Juno") a wholly owned subsidiary and an Alberta company, sells debentures and invests the proceeds in the Wisevest Income Fund ("Wisevest"). Wisevest was established by deed of trust on January 1, 2004 and Juno is the sole holder of Wisevest units. Wisevest's investment objective is to maximize distributions primarily through investment in securities of Canadian royalty and income trusts. Juno has a $250,000 debenture (fully collateralized by the Wisevest units) bearing interest at 8.4% per annum and maturing May 11, 2012. PortfolioCo Inc., an Alberta company and wholly-owned subsidiary of Aston Hill, is the manager of Wisevest and earns fees for its management and administration services.

Aston Hill also invests excess working capital in various investment opportunities including, but not limited to, bankers' acceptances, term deposits, short term bonds, common share securities and oil and gas properties.

Assets under Management & Advisory

As at March 31, 2011 the Company had approximately $3.2 billion in assets under management and advisory. The following table summarizes the various investment profiles managed by Aston Hill:

Assets Under Management and Advisory	**($ Millions)**
Oil and natural gas properties	$ 326
Financial Portfolio Management	191
Assets Under Management	$ 517
Financial Portfolio Advisory	2,722
Total Assets under Management and Advisory	$ 3,239

Business Outlook

In 2011, the Company plans to continue to launch new funds with its current clients and has commenced re-branding and marketing the funds acquired on August 6, 2010. The Company is continuing to pursue additional asset management products as well as other institutional and private equity investors. Aston Hill is also continually pursuing other institutional and private equity investors as opportunities arise in the Sword Oil and Gas Property Management business.

Capital Management

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory requirements, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet. Capital of the Company currently consists of equity instruments. From time to time, the Company may finance long term investments through bank indebtedness.

The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements, long-term investments made by the Company, business expansion and other strategic objectives.

Long-Term Investments

As at March 31, 2011, the Company's long-term investment in Sword had an estimated fair value of $8,383 (December 31, 2010 - $7,834). The Company recognized an increase in the fair value of long-term investments for the three month period ended March 31, 2011 of $549 (2010 – loss of $1,101), due to the changes in the fair value of the investment in Sword. 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.

The Company manages Sword on behalf of its majority shareholders and is paid a quarterly management fee in accordance with a management agreement.

Overall Performance & Results of Operations

- The Company's cash position at March 31, 2011 was $2,665 (December 31, 2010 - $4,014)
- The Company's total assets at March 31, 2011 was $20,150 (December 31, 2010 - $20,120)
- The Company's total long-term debt at March 31, 2011 was $250 (December 31, 2010 - $639)

Selected Financial Information for the 3 month period ended March 31,

		2011		2010
Total Revenues	**$**	**3,189**	$	1,637
Total expenses	**$**	**3,396**	$	1,724
Total general and administrative expense	**$**	**2,981**	$	1,649
Net Income (loss) after tax	**$**	**(256)**	$	(191)
Net Income (loss) per Share – basic	**$**	**(0.004)**	$	(0.003)
Net Income (loss) per Share – diluted	**$**	**(0.004)**	$	(0.003)
Cash dividends declared per Share	**$**	**0.01**	$	-

Aston Hill's results of operations for the three month period ended March 31, 2011 yielded a net loss after tax of $256 (2010 - $191). Net loss before tax was $219 (2010 - $92) resulting from revenue of $3,189 (2010 - $1,637) from management fees offset by operating expenses of $3,396 (2010 - $1,724). Included in expenses are non-cash charges for stock compensation, amortization of property and equipment, and amortization of deferred charges totaling $358 (2010 - $108).

During the three month period ended March 31, 2011, Aston Hill recorded net losses on investments of $57 (2010 – profits of $33).

The significant increase in Revenue and General and Administrative ("G&A") expenses from the comparable period is largely attributable to the increase in AUM throughout the last 9 months of 2010 and the first three months of 2011. AUM increased from $1.759 billion as at March 31, 2010 to $3.239 billion as at March 31, 2011, representing an increase of 84%. The increase in AUM has increased management fee revenue from $1,637 for the three month period ended March 31, 2010 to $3,189 for the year ended December 31, 2011, a 95% increase. G&A expenses for the three month period ended March 31, 2011 were $2,981 (2010 - $1,649).

G&A expenses have increased $1,332 or 81% from the comparable three month period ended March 31, 2010 as a result of $700 in incremental employee incentive payments, Incremental salaries & benefits of $310 as headcount has increased by 8 staff members, $80 in additional marketing costs associated re-branding and marketing of current funds under management and new product development, $158 in additional rent and miscellaneous office expenses, and $39 in additional consulting expenses as a result of extending the Company's sub-advisory agreement with IA Clarington on February 8, 2010. In the first quarter, the Board of Directors determines and approves the annual employee short term incentive payment. Consistent with prior years, the expense is fully recognized in the quarter for which the payment is made and approved by the Board.

Summary of Quarterly Results

	2011	2010			
	Q1	Q4	Q3	Q2	Q1
Revenue	$ 3,189	$ 3,034	$ 2,645	$ 2,029	$ 1,637
Expenses	3,396	2,167	1,648	1,236	1,723
Net operating income (loss) for the period	(207)	867	997	793	(86)
Net income (loss) - per share	$ (0.004)	$ 0.005	$ 0.038	$ 0.006	$ (0.003)
Net income (loss) - per share diluted	$ (0.004)	$ 0.004	$ 0.037	$ 0.006	$ (0.003)

	2009 (previous GAAP)		
	Q4	Q3	Q2
Revenue	$ 1,291	$ 1,015	$ 721
Expenses	1,149	965	919
Investing losses (gains)	(1,886)	364	59
Net operating income (loss) for the period	2,028	(314)	(257)
Net income (loss) - per share	$ 0.046	$ (0.005)	$ (0.004)
Net income (loss) - per share diluted	$ 0.046	$ (0.005)	$ (0.004)

The following is an explanation for the significant changes in revenues over prior quarters:

- The increase in revenues quarter over quarter from the third quarter of 2010 to the fourth quarter of 2010 and to the first quarter of 2011 was due to an increase in revenues from the AHAM acquisition and an increase in advisory fees as a result of increases in net asset values of the funds under advisory. Consistent increases in revenues from the first quarter of 2010 through each subsequent quarter up to and including 2011 were primarily due to increased AUM and advisory fees from IA Clarington funds under sub-advisory and incremental funds and mandates added to the business throughout the two year period.

The following is an explanation for the significant changes in expenses over prior quarters:

- The increase in expenses in the first quarter of 2011 as compared to the fourth quarter of 2010 is a result of annual employee incentive payments. In the first quarter, the Board of Directors determines and approves the annual employee short term incentive payment. Consistent with prior years, the expense is fully recognized in the quarter for which the payment is made and approved by the Board.

- The increase in expenses in the fourth quarter of 2010 as compared to the third quarter of 2010 is due to the recognition of a full quarter of operating expenses from AHAM since the closing of the acquisition in the third quarter, one time severance payments, and additional salaries and benefits.

- The increase in expenses in the third quarter of 2010 as compared to the second quarter of 2010 is due to an increase in transaction costs from the closing of the AHAM acquisition on August 6, 2010, and incremental expenses from consolidating AHAM.

- The increase in expenses in the first quarter of 2010 as compared to the fourth quarter of 2009 is due to an increase in legal fees and marketing costs associated with new product development as well as employee short term incentive payments. In the first quarter, the Board of Directors determines and approves the annual employee short term incentive payment. Consistent with prior years, the expense is fully recognized in the quarter for which the payment is made and approved by the Board.

Risk Management including Financial and Other Instruments

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, debentures, and other financial liabilities held for trading. Discussion of risks associated with financial assets and liabilities are presented as follows.

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.

Credit Risk

Credit risk is the potential for financial loss to the Company if a counterparty in a transaction fails to meet its obligations. The Company's cash and cash equivalents, trade and other receivables, notes receivable, and marketable securities, are subject to credit risk. The Company monitors its credit risk management policies continuously to evaluate their effectiveness and feels that the credit worthiness of its counterparties is satisfactory at this time.

Cash and cash equivalents primarily consist of highly liquid temporary deposits with a Canadian chartered bank, debt securities issued by the Canadian and provincial governments, bankers' acceptances and commercial paper. 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 $6,094, which is the sum of its cash and cash equivalents, trade and other receivables, notes receivable, and marketable securities, as reported on the balance sheet as at March 31, 2011.

Significant amounts of the Company's accounts receivable are due from related parties. As at March 31, 2011, 39% (2010 – 23%) of the 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, 2011.

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

Liquidity Risk

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 accounts receivable, and long-term investments. 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:

	Carrying amount	Contractual cash flows	Less than one year	One - two years	Two – five years	More than five years
Non-derivative financial liabilities:						
Trade and other payables	$ 532	$ 532	$ 532	$ -	$ -	$ -
Obligation to redeem LPF shares	1,084	1,084	1,084	-	-	-
Debentures	250	250	-	250	-	-
Expected interest payments	-	20	15	5		
Office commitments	-	2,064	347	661	379	677
	$ 1,875	$ 3,950	$ 1,978	$ 916	$ 379	$ 677

Market Risk

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

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

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, 2011, the impact of a 10% increase or decrease in the value of the Company's held for trading portfolio would have been an approximate $54 unrealized gain/loss recorded in income. As at March 31, 2011, the impact of a 10% increase or decrease in the value of financial assets at fair value through other comprehensive income would have been an approximate $838 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.

Related Party Transactions

The Company had the following related party transactions:

a) 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 $340 (2010 - $nil) as at March 31, 2011 in respect of these management fees. For the three month period ended March 31, 2011, $324 was recorded as revenue (2010 - $403).

b) Accounts receivable at March 31, 2011 includes management fees receivable from Catapult Energy 2008 FTS Limited Partnership ("2008 FTS") of $nil (2010 - $47). During the three month period ended March 31, 2011, $nil (2010 - $45) was recorded as revenue in respect of these management fees.

c) Accounts receivable at March 31, 2011 includes management fees and interest receivable from Aston Hill Energy 2010 Short Term FT Limited Partnership ("2010 ST FT") of $34,964 (December 31, 2010 - $4,101). During the three month period ended March 31, 2011 $25,058 (March 31, 2010 - $3,906) was recorded as revenue in respect of these management fees.

d) Notes receivable as at March 31, 2011 from 2010 ST FT of $343 (2010 - $303) are promissory notes due from 2010 ST FT. The notes are receivable on demand and accrue interest at a rate of 6% annually. Interest is calculated daily on the remaining balance and is receivable on a monthly basis on the last day of each month. Aston Hill Energy 2010 GP Inc., is a wholly owned subsidiary of the Company, and is the General Partner of 2010 ST FT.

e) The Company's wholly owned subsidiary AHAM receives management fees and pays 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 and other amounts due from funds under management and included in accounts receivable at March 31, 2011 is $282 (2010 - $nil). Related management fees of $500 (2010 - $nil) were recorded as revenue during the three month period ended March 31, 2011.

f) The note payable as described in note 6 for the Navina/Lazard US High Yield Bond is one of the Company's funds under management and is a related party transaction.

g) As at March 31, 2011, $1,116 (2010 - $nil) of the financial assets at fair value through profit or loss is related to holdings of two of the Company's funds under management. For the three month period ended March 31, 2011, $28 (2010 - $nil) in changes in fair market value of these investments was recognized and recorded in net income and represents related party transactions.

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:

		March 31, 2011		December 31, 2010
Less than one year	$	347	$	387
Between one and five years		1,039		1,049
More than five years		678		689
	$	2,064	$	2,125

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 Estimates

The March 31, 2011 Interim Consolidated Financial Statements have been prepared in accordance with IFRS. For a discussion of all significant accounting policies, refer to Note 1 of the Notes to the Interim Consolidated Financial Statements. Also included in the Interim Consolidated Financial Statements is note 13 which includes a discussion on the recoverable amount of the Company's intangible assets compared to its carrying value. In addition, Note 4 includes a discussion on the determination of the fair values of the Company's investments.

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.

Adoption of International Financial Reporting Standards

Aston Hill adopted IFRS effective January 1, 2011 with a transition date of January 1, 2010. The adoption of IFRS has not had a material impact on the Company's operations, strategic decisions and cash flow. Aston Hill's IFRS accounting policies are provided in Note 1 to the Interim Consolidated Financial Statements. In addition, Note 24 to the Interim Consolidated Financial Statements presents reconciliations between the Company's 2010 GAAP results and the 2010 IFRS results and explanations of the adjustments to transition to IFRS. The reconciliations include the Company's reported financial position and financial performance including the nature and effect of significant changes in accounting policies for the three months ended March 31, 2010 and for the twelve months ended December 31, 2010.

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IAS 27, *Separate Financial Statements* (IAS 27), IFRS 13, *Fair Value Measurement* (IFRS 13) and amended IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements. For additional information on each of the standards, refer to Note 1 of the Notes to the Interim Consolidated Financial Statements.

Highlights of the Impact of IFRS

Designation and classification of financial instruments

The Company on its first-time adoption of IFRS has early adopted IFRS 9 and has designated its equity investment in Sword Energy Inc. at "fair value through other comprehensive income". Under previous GAAP this investment was designated as "long term held for trading" and unrealized gains and losses were recognized in net income. Under IFRS, unrealized gains and losses will be recorded in Other Comprehensive Income, net of future tax.

Impact of IFRS on earnings volatility

In periods where the fair market value of the Company's investment in Sword Energy Inc. fluctuates significantly, Aston Hill's earnings will become less volatile under IFRS than under GAAP, as any unrealized gains or losses on this investment will be recorded in other comprehensive income, net of future taxes.

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

The Company is required to disclose herein any change in the design of the Company's internal control over financial reporting ("ICFR") that occurred during the quarter ended on March 31, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. No material changes in Aston Hill's internal controls over financial reporting were identified during the three months ended March 31, 2011, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Aston Hill is not required to certify the design and evaluation of its DC&P and ICFR and has not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency, and timeliness of the interim and annual filings and other reports provided under securities legislation.

Outstanding Share Data

Capital	Authorized	Outstanding as at June 8, 2011	Common Shares Underlying Convertible Securities
Common Shares	Unlimited	71,365,128(1)	-
Stock Options	Not Applicable	5,598,017(1)	5,598,017(1)
Warrants	Not Applicable	Nil	-

Notes:

(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.

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.

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