Management Discussion and Analysis
For the three and nine month periods ended September 30, 2012

This management discussion and analysis ("MD&A") dated November 12, 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 September 30, 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 September 30 2012	As at June 30 2012	As at September 30 2011	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**6.02**	**5.62**	5.18	7%	16%
Total assets	**63,601**	**62,000**	66,621	3%	-5%
Shares outstanding	**72,956**	**72,933**	72,036	0%	1%

For the quarter ended	**September 30 2012**	June 30 2012	September 30 2011	% change quarter-over-quarter	% change year-over-year
Total revenues	**$ 6,195**	$ 5,779	$ 5,366	7%	15%
Total expenses excluding finance expense	**4,094**	5,098	2,995	-20%	37%
Total finance expense	**1,052**	1,055	724	0%	45%
Income (loss) before income taxes	**$ 1,049**	$ (374)	$ 1,647	380%	-36%
Income taxes expense (recovery)	**254**	(166)	564	253%	-55%
Net income (loss)	**$ 795**	$ (208)	$ 1,084	482%	-27%
Per share - Basic	**$ 0.011**	$ (0.003)	$ 0.015	467%	-27%
Per share - Diluted	**$ 0.011**	$ (0.003)	$ 0.011	467%	0%
Cash dividends recorded per share	**$ 0.01**	$ 0.01	$ -	0%	0%
EBITDA*	**$ 2,377**	$ 886	$ 2,491	168%	-5%
Average shares outstanding	**72,931**	72,955	71,463	0%	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

Aston Hill Financial Inc. ("Aston Hill" or the "Company") is a corporation listed on the Toronto Stock Exchange (the "TSX") under the symbol AHF and 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 specializes in managing income product investments and resource investments. 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 types 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 oil and gas entities.

Aston Hill's assets under management, advisory and administration ("AUM") for the third quarter of 2012 increased 7.1% from the second quarter of 2012 to $6.02 billion. This is primarily the result of increases in its advisory assets under management and the addition of oil and gas assets related to the administrative services agreement with Argent Energy Trust ("Argent") offset by a slight decrease in managed funds. Revenues on managed funds have remained stable, however, due to increases in net subsciptions on the Company's own proprietary mutual funds. For the three and nine months ended September 30, 2012 the Company generated net subscriptions within its proprietary mutual funds of $47.1 million and $127.0 million, respectively.

Aston Hill's revenues for the third quarter of 2012 increased $416,000 from the second quarter of 2012 and increased $829,000 from one year ago. The increase in revenue quarter over quarter is a result of the addition of Argent administration contract of $361,000 and an increase in management fees of $153,000 from the Company's proprietary suite of mutual funds. The increase in revenues year over year is the result of the acquisitions completed in 2011, and organic growth of the Company's existing assets under management.

The $1.0 million decrease in expenses (excluding finance expense) quarter over quarter is the result of decreases in General and Administrative (G&A) expenses of $286,000 (mainly fewer marketing, rent, and legal costs) and a gain on sale of investments of $940,000 (mainly from Argent units) offset by an increase in product development costs of $137,000 (legal fees associated with preparing a simplified prospectus on Aston Hill mutual funds) . The year to year increase in expenses (excluding finance expense) of $1.1 million 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 (formerly Brompton 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 September 30, 2012 the balance drawn on the Non-Revolving Facility was $2.0 million. Subsequently, on October 31, 2012 Aston Hill repaid $500,000 on the Non-Revolving Facility in accordance with a signed Amendment to the Credit Agreement leaving the balance drawn at $1.5 million as of November 1, 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 (formerly Brompton) TSX-listed funds that were acquired on July 27, 2011.
- 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.

During the initial public offering process, the Company acted as the promoter for Argent, a Canadian energy trust that is not a specified investment flow-through ("SIFT") trust. The final prospectus for the Trust was filed on August 1, 2012 and the initial public offering closed for gross proceeds of $212 million on August 10, 2012. The Trust holds oil and gas assets in the United States and provides its unitholders with a monthly distribution targeting approximately 10.5% in annual yield. On October 25, 2012, Argent announced a bought deal financing whereby $126.5 million was raised to acquire petroleum producing properties. As a result, Aston Hill's administrative service fee increased from $700,000 to $1.2 million per year. Argent also reimburses Aston Hill for direct costs associated with the administration of Argent.

The Company's management agreement with Sword was terminated on April 20, 2012. The termination resulted in a reduction in assets under management of approximately $182 million in the second quarter of 2012. Until April 20, 2012 Aston Hill received management fees for providing Sword with management consulting services. Sword was subsequently reorganized into two entities: Sword Energy Corp (natural gas properties) and Journey Energy Inc.(oil properties). As part of the reorganization, Aston Hill provided a further $1.0 million investment in the new entities along with its pension fund partners (total of $35 million raise) to provide Journey with capital to drill oil prospects. Aston Hill's ownership interest in each of these companies after the reorganization is currently 2.89%.

Business Outlook

The Company's primary focus for the remainder of 2012 continues to be on its operations in the Financial Portfolio Management division. Aston Hill is focused on 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-oriented approach. Aston Hill is 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 $6.02 billion at September 30, 2012, an increase of 7.1% from the prior quarter. The following tables summarize the AUM and various investment profiles managed by Aston Hill:

Assets Under Management

(in millions of Canadian dollars)

	September 30 2012	June 30 2012	March 31 2012	December 31 2011
Assets under Management and Advisory				
Financial Portfolio Management	**$ 1,989**	$ 2,047	$ 2,069	$ 2,002
Oil and natural gas properties	**-**	-	182	214
Assets Under Management	**1,989**	**2,047**	2,251	2,216
Financial Portfolio Advisory	**3,771**	3,575	3,698	3,451
Assets Under Administration	**260**	-	-	-
Total Assets under Management, Advisory and Administration	**$ 6,021**	**$ 5,622**	$ 5,949	$ 5,667

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 Opportunites Fund
Aston Hill Strategic Yield Fund & Corporate Class
Aston Hill Shareholder Yield 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

Assets Under Administration:

Argent Energy Trust

Results of Operations

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

Three months ended,	**September 30 2012**	June 30 2012	March 31 2012	December 31 2011
Revenues	**$ 6,195**	$ 5,779	$ 6,159	$ 6,086
Expenses				
General and administrative	**3,597**	3,883	3,774	3,982
Product Development	**269**	132	121	397
Share based payments	**564**	631	633	535
Depreciation of property & equipment	**171**	94	52	69
Amortization of deferred sales commissions	**104**	111	93	101
Trailer fees	**296**	204	170	67
Commissions	**35**	35	39	-
Net losses (profits) on investments	**(942)**	8	(76)	(546)
Finance expense	**1,052**	1,055	1,050	1,074
Total expenses	**5,146**	6,153	5,856	5,679
Income (loss) before income taxes	**1,049**	(374)	303	407
Income taxes	**254**	(166)	726	476
Net income (loss) for the period	**$ 795**	$ (208)	$ (423)	$ (69)
Net income (loss) - per share - basic	**$ 0.011**	$ (0.003)	$ (0.006)	$ (0.001)
Net income (loss) - per share - diluted	**$ 0.011**	$ (0.003)	$ (0.006)	$ (0.001)

	September 30 2011	June 30 2011	March 31 2011	December 31 2010
Revenue	$ 5,366	$ 3,538	$ 3,189	$ 3,035
Expenses				
General and administrative	2,317	1,927	2,981	2,580
Product Development	6	259	-	-
Share based payments	414	290	256	181
Depreciation of property & equipment	67	67	50	69
Amortization of deferred sales commissions	52	53	52	141
Trailer fees	208	121	23	20
Commissions	-	-	-	-
Net losses (profits) on investments	(70)	24	34	(39)
Finance expense	724	32	12	(3)
Total expenses	3,718	2,773	3,408	2,949
Income (loss) before income taxes	1,648	765	(219)	86
Income taxes	564	155	37	357
Net income (loss) for the period	$ 1,084	$ 610	$ (256)	$ (271)
Net income (loss) - per share	$ 0.015	$ (0.004)	$ (0.004)	$ 0.017
Net income (loss) - per share diluted	$ 0.008	$ (0.004)	$ (0.004)	$ 0.017

For the quarter ended September 30, 2012, Aston Hill reported net income before income taxes of $1,049,000 compared to a loss of $374,000 in the prior quarter due to an increase in revenues of $416,000 and a reduction in expenses of $1.0 million. For the quarter ended September 30, 2012, Aston Hill reported a net income after tax of $795,000 ($0.011 per share) compared to net loss after tax of $208,000 ($0.003 loss per share) for the prior quarter.

Finance expense of $1,052,000 was recorded for the quarter ended September 30, 2012 compared with $1,055,000 for the quarter ended June 30, 2012 and $724,000 for the quarter September 30, 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	Quarter ended	Quarter ended	**9 months ended**	9 months ended
	September 30 2012	June 30 2012	September 30 2011	**September 30 2012**	September 30 2011
Income (loss) before income taxes	**$ 1,049**	$ (374)	$ 1,648	**$ 977**	$ 2,193
Less:					
Service fee revenue	**(83)**	(48)	(52)	**(131)**	(157)
Add:					
Net losses (profits) on investments	**(942)**	8	138	**(1,011)**	339
Amortization of deferred sales commissions	**104**	111	52	**308**	157
Share based payments expense	**564**	631	414	**1,828**	961
Pre-tax operating earnings	**$ 692**	$ 328	$ 2,200	**$ 1,970**	$ 3,493
Per share	**$ 0.009**	$ 0.004	$ 0.031	**$ 0.027**	$ 0.049

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 and share-based payments expense.

Pre-tax operating earnings, as set out in the table above, was $692,000 in the third quarter of 2012, an increase of 111% from the second quarter of 2012 and a decrease of 68% from the third quarter of the prior year. The increase in pre-tax operating earnings from the prior quarter is the result of the lower G&A costs, and the addition of the Argent administrative services agreement. Year-over-year decrease in pre-tax operating earnings reflect the financing costs on the convertible debentures related to the acquisitions completed in the third quarter of 2011, and increased associated G&A costs.

As illustrated in the following table, EBITDA for the quarter ended September 30, 2012 was $2.377 million ($0.032 per share) compared with EBITDA of $2.491 million ($0.035 per share) for the quarter ended September 30, 2011 and $886,000 ($0.012 per share) for the quarter ended June 30, 2012. The 168% increase from the prior quarter is primarily the result of a decrease in G&A expenses of $286,000, net gains on investments (mainly of Argent units) of $743,000 and increases in revenue of $416,000. The 4.6% year-over-year decrease in quarterly EBITDA was due to increases in G&A due to the acquisitions completed in the third quarter of 2011, and increases in salaries and benefits due to an increase in staff.

EBITDA

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

	Quarter ended September 30 2012	Quarter ended June 30 2012	Quarter ended September 30 2011	**9 Months Ended September 30 2012**	9 months ended September 30 2011
Net Income (loss) for the period	**$ 795**	$ (208)	$ 1,106	**$ 163**	$ 1,437
Add (deduct):					
Finance expense	**1,052**	1,055	724	**3,158**	768
Current Income tax expense	**128**	550	603	**1,072**	-
Future income tax expense (recovery)	**126**	(716)	(61)	**(258)**	358
Amortization of deferred sales commissions	**104**	111	52	**308**	157
Depreciation of property and equipment	**171**	94	67	**318**	186
EBITDA	**$ 2,377**	$ 886	2,491	**$ 4,761**	$ 2,906
Per diluted share	**$ 0.032**	$ 0.012	$ 0.035	**$ 0.064**	$ 0.041
EBITDA margin (as a % of revenue)	**38%**	15%	46%	**26%**	46%

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 and facilitates valuation and is a substitute for cash flow.

EBITDA as a percentage of total revenues (EBITDA margin) for the third quarter of 2012 was 38%, compared to 46% from the same quarter last year and 15% from the prior quarter. The decrease in EBITDA as a percentage of revenues year-over-year is the result of the increases in G&A and product development expenses 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. The increase in EBITDA margin from the prior quarter is due to gain on valuation of investment in Argent units, increase in revenues and a decrease in G&A expenses.

The Company expensed $269,000 (September 30, 2011 - $6,000) in product development in the third quarter of 2012 of which $160,000 relates to legal costs associated with preparing a simplified prospectus on the Aston Hill mutual funds. 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 $6.195 million for the quarter ended September 30, 2012, an increase of 15.4% from the $5.366 million earned during the quarter ended September 30, 2011 and up 7.2% from $5.779 million for the quarter ended June 30, 2012. The changes year-over-year were mainly attributable to the acquisitions completed in July 2011 and the corresponding increase in AUM, which was up 16.2% from the quarter ended September 30, 2011. The increase in revenues over prior quarter was mainly attributable to the addition of the Argent administrative contract and an increase in management fees from the Aston Hill proprietary suite of mutual funds.

Expenses

General & administrative ("G&A") expenses were $3.597 million for the quarter ended September 30, 2012, an increase of 55% from the third quarter of 2011 and a decrease of 7.4% from the prior quarter. The $286,000 decrease in G&A quarter over quarter is the result of decreases in marketing, rent, and legal expenses. The year to year increase in G&A of $1.280 million 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.

Share based payment expenses were $564,000 for the quarter ended September 30, 2012 compared with an expense of $414,000 in the quarter ended one year ago and $631,000 in the prior quarter. The increase in share based payments over the prior year 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, as well as a result of the implementation of two additional share based payment plans in the second half of 2011, and a new share based payment plan for eligible directors introduced in the second quarter of 2012. The additional share based payment plans in 2011 were a result of the acquisition of Morrison Williams and the additions of key members of management to Aston Hill. The 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. The plan for eligible directors was created as a high value alternative to compensating directors at an equal cost to their currently existing director's fees.

Liquidity and Capital Resources

Aston Hill generated $4.662 million of operating cash flow for the nine months ended September 30, 2012 up $1.348 million compared with $3.314 million in the same period 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 $331,000 in the quarter ended September 30, 2012. This compares to $208,000 in the same quarter of 2011. This is a result of incremental sales on the Aston Hill mutual funds.

The fair value of marketable securities at September 30, 2012 was $2.887 million. Marketable securities are comprised mainly of the initial investment in Argent units and seed capital investments in the Company's newly created Corporate Class funds.

As at September 30, 2012, the Company's long-term investment in Journey Energy Inc. had an estimated fair value of $6.597 million (December 31, 2011 - $5.880 million). The Company recorded an unrealized increase in the fair value of long-term investments for the three month period ended September 30, 2012 of $587,000. The fair value of the investment in Journey 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 Journey investment may fluctuate materially from quarter to quarter.

Summary Balance Sheet Data as at September 30, 2012 and December 31, 2011

(in thousands of Canadian dollars)

	September 30 2012	June 30 2012	December 31 2011
Current Assets	**$ 9,068**	$ 8,781	$ 13,431
Non current assets	**54,533**	53,219	52,374
Total Assets	**$ 63,601**	$ 62,000	$ 65,805
Current liabilities	**$ 5,499**	$ 5,011	$ 6,541
Non current liabilities	**37,289**	37,299	37,812
Total Liabilities	**$ 42,788**	$ 42,310	$ 44,353
Shareholders' Equity	**20,813**	19,690	21,452
Total Liabilities & Shareholders' Equity	**$ 63,601**	$ 62,000	$ 65,805

The balance sheet for Aston Hill at September 30, 2012 reflects total assets of $63.6 million, a decrease of $2.2 million from $65.805 million at December 31, 2011. This change can be attributed to a decrease in current assets of $4.4 million mitigated by an increase in long-term assets of $2.2 million. The decrease in current assets is due to a decrease in cash which is a result of repayment of financing. Increase in long-term assets is due to furniture and leasehold improvements required in new Toronto office space and additional investment in Journey Energy Inc.

Accounts receivable increased to $4.0 million at September 30, 2012 from $3.7 million at December 31, 2011. The increase relates to incremental management fees receivable from increased AUM.

Total liabilities decreased $1.6 million from $44.4 million at December 31, 2011 to $42.8 million at September 30, 2012. The primary contributor to this change was the principal repayments on the Non-Revolving Credit Facility. At September 30, 2012 the Convertible Debentures debt component had a carrying value of $33.9 million and the Non-Revolving Facility has a carrying value of $1.9 million.

Final principal payments on the Non-Revolving Credit Facility are due and payable in three equal quarterly installments of $500,000 on the last business day of each of October 2012, January 2013, and April 2013 with a final payment of $500,000 on July 27, 2013.

The limit on the Revolving Facility at September 30, 2012 was $4,000,000, and had an outstanding balance of $nil as none has been drawn.

Aston Hill's annualized debt-to-EBITDA ratio excluding the Convertible Debentures and the Juno Debenture as at September 30, 2012 was 0.26 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 increased by $1.1 million during the three months ended September 30, 2012 mainly as a result of a change in accumulated other comprehensive income of $460,000 (Journey investment valuation increase) and increase in contributed surplus of $539,000 from the share-based compensation charge.

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 September 30, 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 $144,000 (September 30, 2011 - $91,000) unrealized gain/loss recorded in income. As at September 30, 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 $330,000 (September 30, 2011 - $424,000) 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 $6.2 million, 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 September 30, 2012.

Concentration risk

Significant amounts of the Company's accounts receivable are due from related parties. As at September 30, 2012, 42% (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 September 30, 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 September 30, 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		$ 1,471	$ 1,471	$ 1,471	$ -	$ -	$ -
Current income tax payable		121	121	121	-	-	-
Obligation to redeem							
LPF shares (1)		404	404	404	-	-	-
Term credit facility	-principal	1,918	1,918	1,918	-	-	-
	-interest	-	32	32	-	-	-
Convertible debentures	-principal	39,814	39,814	-	-	39,814	-
	-interest	-	9,648	2,159	2,673	4,816	-
		$ 43,728	**$ 53,408**	**$ 6,106**	**$ 2,673**	**$ 44,630**	**$ -**

(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 September 30, 2012 is $1.554 million (December 31, 2011 - $1.480 million). For the three and nine months ended September 30, 2012 $2.941 million (September 30, 2011 - $2.055 million) and $9.016 million (September 30, 2011 - $4.865 million), respectively, was recorded as revenue in respect of these management fees. In addition, during the three and nine months ended September 30, 2012, the Company absorbed $269,000 (September 30, 2011 - $nil) and $522,000 (September 30, 2011 - $265,000), respectively, of expenses incurred by funds under management.

b) Until termination of a management agreement on April 20, 2012, the Company managed a private oil and gas company and on behalf of the majority shareholders was paid a quarterly management fee in accordance with an executed management agreement. Accounts receivable includes $nil (December 31, 2011 - $346,000) as at September 30, 2012 in respect of these management fees. For the three and nine months ended September 30, 2012 $nil (September 30, 2011 - $347,000) and $351,000 (September 30, 2011 - $1.006 million), respectively, was recorded as revenue.

c) Notes receivable as at September 30, 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 September 30, 2012, $1.022 million (December 31, 2011 - $1.173 million) of the financial assets at fair value through profit or loss are related to holdings in the Company's funds under management. For the three and nine months ended September 30, 2012, the Company recorded a $29,000 loss (September 30, 2011 - $7,000 gain) and $3,000 loss (September 30, 2011 - $4,000 gain), respectively, on these investments during the period.

e) As at September 30, 2012, the Company had accounts receivable of $692,000 (September 30, 2011 - $nil) from Argent Energy Trust ("Argent"), a company under common management. The Company has an Administrative Services Contract (the "Contract") in which the Company has recorded revenues of $175,000 (September 30, 2011 - $nil) for the three and nine months ended September 30, 2012. For the three and nine months ended September 30, 2012, the Company has recorded $1.080 million (September 30, 2011 - $nil) and $1.411 million (September 30, 2011 - $nil) in overhead recoveries for shared overhead costs that have been reimbursed by Argent. The Company has also recorded $186,000 (September 30, 2011 - $nil) for the three and nine months ended September 30, 2012 in revenue related to Restricted Trust Units ("RTU") which were issued as a part of Argent's RTU plan for services rendered the Company under the Contract.

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)

		September, 30 2012		December 31, 2011
Less than one year	**$**	**531**	$	331
Between one and five years		**1,527**		883
More than five years		**323**		503
	$	**2,381**	$	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 September 30, 2012 Interim Consolidated Financial Statements have been prepared in accordance with IFRS. The accounting policies followed in these interim Consolidated Financial Statements is 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 September 30, 2012.

Throughout the quarter ended September 30, 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 November 8, 2012	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited		72,955,646	Not applicable
Stock options	Not applicable		6,037,500	6,037,500
Convertible debentures (face value) 6.00% maturing 2016	Not applicable	$	33,923,000	15,777,255

[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.

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.

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