

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion is management's analysis of Azteca Gold Corp.'s operating and financial data for the three months ended March 31, 2008 and 2007 as well as management's estimates of future operating and financial performance based on information currently available. It should be read in conjunction with the audited consolidated financial statements and notes for the years ended December 31, 2007 and 2006. The Management's Discussion and Analysis was prepared as of May 29, 2008. Additional information relating to Azteca can be found at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains forward-looking information as contemplated by Canadian securities regulators' Form 51-102F1, also known as forward-looking statements. All estimates and statements that describe the Company's objectives, goals or future plans are forward-looking statements. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company and described in forward-looking statements. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change, except as required by law.

RESPONSIBILITY OF MANAGEMENT

The preparation of the financial statements, including the accompanying notes, is the responsibility of management. Management has the responsibility of selecting the accounting policies used in preparing the financial statements. In addition, management's judgment is required in preparing estimates contained in the financial statements.

2008 OVERVIEW

The Company is a development stage company engaged in the acquisition and exploration of mineral properties. The Company's main focus is on exploration for gold and silver in Mexico and the United States.

1. On February 5, 2008 the Two Mile Joint Venture Agreement was amended whereby the Company has now earned a 25% interest in the property from Silver Royal Apex, Inc.
2. On March 20, 2008 the Company announced that it had received an extension with respect to the Bunker Hill Mine option agreement. The option agreement must be exercised with a payment of US \$46,000,000 on or before July 20, 2008.
3. On April 14, 2008 the Company received an extension to the agreement of transfer of ownership of the Santa Matilde mineral concessions. The Company's option payment of \$750,000 due March 7, 2008 has been extended to September 15, 2008. All subsequent option payments have been extended accordingly.
4. The Tres de Mayo (TDM) Gold-Silver Property was paid in full on April 14, 2008. The Company now holds a 100% interest in the property. .

RESULTS OF OPERATION

The Company incurred a net loss of \$1,148,803 during the quarter ended March 31, 2008 compared with income of \$1,783,999 during the quarter ended March 31, 2007. The Company recognized gains on its marketable securities in 2007 resulting in net income for the period ended March 31, 2007.

Net Loss from Operations

In first quarter of 2008 net loss from operations was \$1,139,148 compared to \$405,096 in 2007, resulting in an increase of \$734,052. This change continues to reflect costs associated with the increase in its ongoing activities. The following table itemizes the net loss from operations for the quarters ended March 31, 2008 and 2007.

CONSOLIDATED SCHEDULE OF NET LOSS FROM OPERATIONS

For the quarter ended March 31,	2008	2007
Stock based compensation	516,774	\$189,022
Management fees	112,328	79,132
General and Administrative	274,355	68,121
Depreciation	161,229	7,061
Professional fees	60,858	31,961
Listing fees and agent fee	8,558	16,110
Shareholder reporting	4,657	12,717
Interest and penalties	389	972
Total Administrative expenses	1,139,148	405,096

Mineral Properties

The net asset value of the Company's mineral exploration properties as at March 31, 2007 is \$19,651,486 (2007-\$2,179,826).

**Guerra al Tirano (GAT - Temoris, Chihuahua, Mexico)
(Includes Reyna de Oro and Tres de Mayo concessions)**

The Guerra al Tirano silver-gold property consists of three mining concessions in the Temoris district in the Sierra Madre Occidental, southwestern Chihuahua State, Mexico. In aggregate the three concessions cover 94.5 hectares.

The silver-gold mineralization is contained within a classic low-sulfidation epithermal system consisting of quartz veins, stockworks, and breccias. The breccias range in thickness from 2 to 17 meters wide and have a strike length of over 1.4 kilometers. These structures generally trend north-south and have dips ranging from 50 to 75 degrees.

The initial mapping, trenching, and sampling that originally attracted our attention was followed up with a detailed soil sampling program. In addition a contract was put in place with M2 Technical Services to provide skilled drillers to carry out an initial 8 hole drilling program utilizing a Longyear 44 type core drilling rig that was purchased by the Company's Mexican subsidiary Minera de Oro y Plata de S.A. de CV.

As disclosed in the Company's news release dated March 5, 2007, Minera Azteca de Oro y Plata S.A. de C.V. (the Mexican subsidiary of Azteca Gold Corp. (the "Company")) has the right to use Ejido land covering approximately 95 hectares of the Company's mining concessions in Chihuahua for all activities necessary for the exploration, development and production of potential ore deposits. The Company may apply in the future for an increase in the amount of land covered by this agreement.

In addition, the Company may travel through adjoining and nearby Ejido land outside the boundaries of the mining concessions for the purpose of constructing, operating and maintaining improvements or facilities necessary for the project. Initial payments are US \$10,000 per year for the first 3 years. The Company may terminate the agreement at any time.

An Ejido is a fundamental Mexican political unit that operates at the rural level. Mexican law gives Ejidos control of surface access to specific defined geographic boundaries. As such, Ejido consent is required to access land for mineral resource exploration, development, and exploitation (production) on the Company's Guerra al Tirano and Tres de Mayo concessions.

The Guerra al Tirano/Tres de Mayo exploration target area falls near the middle of a historically productive gold-silver belt near Temoris, Chihuahua. The closest gold exploration and development to the Guerra al Tirano/Tres de Mayo targets is the Palmarejo deposit controlled by Palmarejo Gold, 11 km on trend to the northwest.

With the Ejido agreement in place, the Company kicked off a two phase exploration program aimed at outlining a gold equivalent resource. The first phase of surface work saw the exposed vein mapped and sampled over the majority of the Guerra al Tirano and Reyna de Oro concessions and the Northern-most part of the Tres de Mayo concession. Results from the first phase of exploration work were disclosed by the Company in a press release dated September 19, 2007 wherein soil geochemical statistical assay results were presented and reinforced in graphic form on the Company's website page for the Guerra al Tirano (GAT) Project. The second phase employed step-out diamond drilling and RC drilling for a total of 34 holes. Initial results of the second phase of exploration work were disclosed by the Company in a press release dated November 1, 2007 wherein diamond drill core assay results were presented. In January and February of 2008 results of this drilling program were released. Work on a resource estimate from the data of Phase I and Phase II is underway. Results of this resource model will guide the Company in making decisions as to the further work program on these three concessions.

Marietta (MAR - Mineral County Nevada) – Gold-Silver Property in Historic Silver District

On September 7, 2007 the Company announced it had completed the arms-length purchase of a 100% interest in the Marietta property, which consists of approximately 122 patented and unpatented claims located in Mineral County in Nevada. On the 13 patented claims there is a 1% NSR royalty. The Company has received an independent technical report, compliant with NI 43-101, on this property from Edward Brennan of Brisbane, Australia, which will be available on SEDAR and the Company website.

In the same press release, the Company disclosed completion of geophysical and geochemical testing on approximately the southern 1/3 of the claim block at this wholly owned gold/silver/copper project in the Walker Lane trend of west central Nevada. From the work, the Company identified multiple drill ready targets for primarily gold and silver mineralization with significant base metal potential. Results of this work can be found on the Marietta (MAR) project web page of the Company's website.

Matilde (MAT - Chihuahua, Mexico) – Gold-Silver Prospect Located South of GAT

On November 9, 2007 the Company announced that it has, through its wholly owned Mexican subsidiary, entered into an arms-length agreement (the "Agreement") of transfer of ownership of the Santa Matilde Mineral Concessions (the "Matilde Concessions") located on and surrounding the town of Santa Matilde, Chihuahua about 20 kilometers to the southwest of the regional mining town of Temoris, Chihuahua. The Company's flagship exploration project Guerra al Tirano is located nearby, 9 kilometers to the northwest of Temoris. The Matilde Concessions stretch approximately 7.5 kilometers north to south and cover approximately 2,677 hectares, and contain several historic workings.

The Company has received an independent report compliant with NI 43-101 dated June 20, 2007 on the property from Edward Brennan of Brisbane, Australia, which is available on SEDAR.

Bunker Hill (BNK - Kellogg, Idaho) – Historic Lead-Zinc-Silver Mine

On August 30, 2007 the Company announced that it had signed an arms-length option agreement (the "Bunker Option") in respect to the Bunker Hill Mine property located in Kellogg, Idaho. The mine is currently owned by the New Bunker Hill Mining Company of Kellogg, Idaho. The Bunker Hill Mine property comprises 518 patented mining claims covering approximately 6,500 acres. Historic production, as reported in internal reports and records from previous operators, at the Bunker Hill Mine is approximately 35.8 million tons grading average 8.76% lead, 3.67% zinc and 4.52 oz silver. There are no current reserve or resource estimates for the Bunker Hill Mine that are NI 43-101 compliant.

The Company has received an independent NI 43-101 compliant technical report dated July 12, 2007 from Edward Brennan of Brisbane, Australia, which will be available on SEDAR (www.sedar.com).

The Company is currently negotiating with the EPA for a consent decree which will characterize the environmental responsibility and associated economic obligations of Azteca should Azteca sign such a consent decree in conjunction with exercising the Bunker Hill Option to Purchase.

The Company continues to seek financing for the purchase of the Bunker Hill.

Two Mile (TWO - Osburn, Idaho) – Silver Prospect

On August 14, 2007, the Company entered into an arms-length joint venture agreement (the "Two Mile Joint Venture") in respect to the Silver Valley Two Mile Property located in Shoshone County, Idaho. The Two Mile Property is owned by Silver Royal Apex, Inc. of Wallace, Idaho and is comprised of 118 unpatented claims. Recent geophysical work has identified several potential sulfide targets which will be the focus of a diamond drill exploration program for primarily silver by the Two Mile Joint Venture.

USDA Forest Service drill permits were received in October as disclosed by the Company in a press release dated October 18, 2007. Diamond core drilling began as announced in a subsequent press release by the Company on October 25, 2007.

The Company has received an independent NI 43-101 compliant technical report dated July 27, 2007 from Edward Brennan of Brisbane, Australia, which is available on SEDAR (www.sedar.com).

The Company completed the first phase of the diamond drill program with 4 core holes targeting geophysical anomalies and results of this drilling is pending analysis of the core data.

Geroe Creek Molybdenum Prospect

Azteca Gold Corp. has recently acquired a 100-per-cent interest in the Geroe Creek project, located in the Brooks Range, Alaska. The property consists of 168 contiguous Alaska state mining claims covering approximately 33,000 acres. The property lies northeast of the Hogatza porphyry copper belt in the eastern Brooks Range of northern Alaska. It is located within an identified copper-lead-zinc metal province and adjacent to a gold (antimony-tungsten) province. The copper-lead-zinc belt hosts at least one major metalliferous lode deposit, as well as a large number of minor deposits.

A geochemical survey was conducted during the fall of 2007, and assays indicate the presence of a large, strong molybdenum-lead-zinc-copper anomaly. Geochemical data, consisting 224 outcrop, 209 stream sediment, and 39 float samples, show strong anomalies for molybdenum, lead, zinc, copper, a moderate anomaly for nickel, and anomalous elevations beyond background for gold, silver, and antimony. Mineralization is concentrated within the north-northeast-trending cirque and glacial valley, but has been traced for at least three miles to the east-southeast, possibly along a structural zone. Based on the geochemical survey, as well as results from two diamond core drill holes drilled prior to the onset of winter, the independent members of the board of directors approved the project's acquisition from Mr. Russell and two other arm's-length owners who received a total of \$60,000 for reimbursement of certain expenses. The three vendors will receive in

total a 1.5-per-cent net smelter royalty. Azteca has no obligation to spend any funds on the property nor make any other payments in respect to the acquisition of the Geroe Creek project, which it now owns 100 per cent.

Geroe Creek mineralization outcrops over an area measuring approximately 12 square kilometres and preliminary geologic work suggests it is predominantly hosted in paleozoic metasediments that are locally intruded by paleozoic- to mesozoic-aged mafic and granitic intrusives. Lithologic and alteration characteristics appear to be indicative of porphyry-style mineralization.

Plans have been developed for a second-stage exploration of the property, including a higher resolution geochemical survey and mapping designed to delineate drilling targets. Azteca will take the time to consider its options in regards to progressing the property before committing further resources to it. This includes potentially partnering with an Alaska-focused exploration company or a molybdenum-focused company in some form.

Property and Equipment

The Company has purchased four drill rigs to expedite drilling on our properties. The total cost was approximately \$2,165,911. The Company currently rents out excess equipment when it is not being utilized for its own projects.

SUMMARY OF QUARTERLY RESULTS

	2008		2007		
	Q1	Q4	Q3	Q2	Q1
Net loss from operations	1,139,148	\$2,441,277	\$922,411	\$590,446	\$405,096
Net loss from operations on a Per share basis	0.011	0.025	0.013	0.009	0.006
Net Income (Loss)	(1,148,803)	(2,073,125)	(652,655)	(1,307,242)	1,783,999
Net Income (Loss) on a Per share basis	(0.011)	(0.019)	(0.006)	(0.017)	0.025

The Company realized a net income in the first quarter of 2007 due to a gain on the sale of marketable securities.

LIQUIDITY AND CAPITAL RESOURCES

The cash required for operations for the quarter ended March 31, 2008 was funded through the use of cash reserves. As of March 31, 2008 the Company had working capital of \$1,385,203 (March 31, 2007 working capital \$7,333,943).

Cash Flow Requirements for Next 12 months

Exploration programs	\$ 500,000
2008 Property Payments and Purchases*	\$ 490,000
Claims and Concessions Fees and Taxes	\$ 350,000
General and administration	<u>\$1,450,000</u>
Total Estimated Expenses	\$2,790,000

*Does not include the Bunker Hill purchase or Matilde payment due September 15, 2008. The Company is currently re-evaluating the Matilde Property. If the Company determines that it will maintain the Matilde property and if the Option to Purchase is realized for Bunker Hill, cash flow requirements would be higher for the next 12 months.

Property Payments and Purchases:

In order to maintain the Company's mineral properties the Company must make the following property payments during, 2008, and 2009:

The Guerra al Tirano (GAT) Gold-Silver Property has property payments due:

November 2008 US \$500,000 + IVA tax of 15% on total payments

The Matilde (MAT) Gold-Silver Property has the following payments in 2008 and 2009:

US \$750,000 by September 15, 2008
 US \$1,000,000 by March 15, 2009
 US \$2,000,000 by September 15, 2009

The Bunker Hill (BNK) Lead-Zinc-Silver Property has the following Option payments:

US \$100,000 per month.

US \$46,000,000 by July 20, 2008

SUBSEQUENT EVENTS OR PROPOSED TRANSACTIONS

Other than as noted in the 2008 overview there have been no other subsequent events.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and it is not likely that the Company will enter into off-balance sheet arrangements in the foreseeable future.

OUTSTANDING SHARE DATA

Common Shares Issued and Outstanding as at May 29, 2008	107,399,251
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Stock Options outstanding ⁽¹⁾	10,200,656
Warrants Outstanding ⁽²⁾	37,967,445

⁽¹⁾ In 2006 - 4,200,000 options were issued under the Company's Stock Option Plan with exercise prices of \$0.50; 500,000 options were issued to the listing sponsor with an exercise price of \$0.35. These options are not included under the Company's Stock Option Plan. During 2007, 5,100,000 stock options were granted to directors, senior officers and consultants of the Company at an exercise price ranging between \$0.52 and \$0.77 which expire five years from the date of issue. Two sets of options were issued to Brokers as consideration with respect to private placements completed in 2007 - 297,365 with an exercise price of US \$0.40 expiring August 31, 2009 and 103,291 with an exercise price of \$0.88 expiring November 9, 2009.

⁽²⁾ In 2006 - 17,207,165 warrants were issued with exercise prices of \$0.50 and expiration dates of December 12, 2008. In 2007 - 2,437,500 warrants were issued with an exercise price of \$0.50 and expiration date of March 20, 2009; 11,125,331 warrants were issued with an exercise price of US \$0.70 and expiration date of September 9, 2009; 7,260,949 warrants were issued with an exercise price of \$0.88 and expiration date of November 8, 2009.

TRANSACTIONS WITH RELATED PARTIES

Matt Russell

(President and Director)

		2008		2007
Due to Matt Russell	\$	225,716	\$	17,761
Management fees charged to the Company		55,987		55,987

Randal Squires

(Chief Financial Officer)

		2008		2007
Due to Randal Squires	\$	--	\$	--
Management fees charged to the Company		12,442		12,442

Jon Slizza

(VP Finance and Investor Relations)

		2008		2007
Management fees charged to the Company	\$	39,813	\$	--

Edward Schiller

(Director)

		2008		2007
Director fees charged to the Company	\$	1,500	\$	--

Richard Nanna
(Director)

		2008		2007
Director fees charged to the Company	\$	1,500	\$	--

The amounts due to related parties are non-interest bearing, unsecured and have no set repayment terms.

CONTINGENT LIABILITIES

The Company has no contingent liabilities.

CHANGES IN ACCOUNTING POLICIES, INCLUDING INITIAL ADOPTIONS

Derivative Financial Instruments and Hedges

January 1, 2007, the Company was required to adopt CICA Section 3855, "Financial Instruments – Recognition and Measurements," and Section 3865, "Hedges." These sections provide for all financial instruments, including derivatives, to be included in the Company's consolidated balance sheet and measured, in most cases, at fair value.

January 1, 2008, the Company adopted two new CICA standards, Section 3862 "Financial Instruments –Disclosures" and Section 3863 "Financial Instruments Presentation" which will replace Section 3861 "Financial Instruments-Disclosure and Presentation." The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed.

The Company is in the process of evaluating the impact of these new standards on its Consolidated Financial Statements.

Accounting Changes

As of January 1, 2007, the Company was required to adopt revised CICA Section 1506, "Accounting Changes," which provides expanded disclosures for changes in accounting policies, accounting estimates and corrections of errors. Under the new standard, accounting changes should be applied retrospectively unless otherwise permitted or where impracticable to determine. As well, voluntary changes in accounting policy are made only when required by a primary source GAAP or the change results in more relevant and reliable information. The Company does not expect application of this revised standard to have a material impact on its Consolidated Financial Statements.

Capital Disclosures

In December 2006, CICA issued Sections 1535 "Capital Disclosures," which will require companies to disclose their objectives, policies and processes for managing capital. In addition, disclosures are to include whether companies have complied with externally imposed capital requirements. The adoption of new capital disclosure requirements is required on January 1, 2008 and the Company is currently assessing the impact on its Consolidated Financial Statements.

Financial Instruments – Recognition and Measurement

On January 1, 2007, in accordance with the applicable transitional provisions, the Company adopted without restating prior periods, the new recommendations of the CICA Handbook: Section 1530, Comprehensive Income, Section 3855, Financial Instruments – Recognition and Measurement, Section 3865, Hedges, Section 3861, Financial Instruments – Disclosure and Presentation, and Section 3251, Equity.

Section 1530, Comprehensive Income, requires the presentation of comprehensive income and its components in a new financial statement. Comprehensive income is the change in the net assets of a company arising from transactions, events and circumstances not related to shareholders, Section 3251, Equity, establishes standards for the presentation of equity and changes in equity during the reporting period.

Section 3855, Financial Instruments – Recognition and Measurement, and Section 3861, Financial Instruments – Disclosure and Presentation, establish standards for classification, recognition, measurement, presentation and disclosure of financial instruments (Including derivatives) and non-financial derivatives in the financial statements. This standard prescribes the basis of presentation for gains and losses on financial instruments. Based on financial instrument classification, gains and losses on financial instruments are recognized in net income or other comprehensive income.

The Company has made the following classifications:

- Cash and marketable securities are classified as "assets held for trading." They are measured at fair value and the gains and losses resulting from the remeasurement at the end of each period are recognized in net income.
- Accounts receivable are classified as "loans and receivables." They are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measures are recorded at amortized cost using the effective interest method.
- Accounts payable and accrued liabilities are classified as "other liabilities." They are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measures are recorded at amortized cost using the effective interest method.

Section 3865, Hedges, sets out standards specifying when and how an entity can use hedge accounting. The adoption of this new standard is optional. It offers entities the possibility of applying different reporting options than those set out in Section 3855, Financial Instruments – Recognition and Measurement, to qualifying transactions that they elect to designate as hedges for accounting purposes.

The adoption of these new standards translated into the following changes as at January 1, 2007; a \$1,226,077 decrease in the deficit and a \$1,226,077 increase in the marketable securities. The adoption of this new standard has no impact on the Company's cash flows.

FINANCIAL INSTRUMENTS

Fair value

The Company's carrying value of cash, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The fair value of the amounts due to shareholders are less than carrying value, as the amounts are non-interest bearing. As the amounts have no terms of repayment, the fair value cannot be calculated with any degree of certainty.

Credit risk

The Company generally extends unsecured credit to customers and therefore the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by the size and reputation of the companies to which credit has been extended. The Company has not experienced any material credit loss in the collection of accounts receivable to date.

Currency risk

Currency risk is the risk to the Company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company is exposed to foreign currency exchange risk on cash and marketable securities held in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

DISCLOSURE CONTROLS

Based on an evaluation, performed under the supervision and with participation of the Company's senior management, including the President and Chief Financial Officer the Company's management concluded that the Company's disclosure controls and procedures were effective as of March 31, 2008.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.