Management's Discussion and Analysis of the Consolidated Financial Statements

For the Year Ended December 31, 2015

Minsud Resources Corp.
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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year ended December 31, 2015

INTRODUCTION

The following is a Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Minsud Resources Corp. (the "Company" or "Minsud") to enable a reader to assess the financial condition and results of operations of the Company for the year ended December 31, 2015.

This MD&A has been prepared as at April 19, 2016 unless otherwise indicated.

This MD&A should be read in conjunction with the Company's Consolidated Financial Statements for the year ended December 31, 2015 (the "Financial Statements"), including the related note disclosure. The Financial Statements are presented on a consolidated basis and include the accounts of the Company, its wholly-owned subsidiary Minsud Argentina Inc. ("MAI"), and MAI's subsidiary Minera Sud Argentina S.A. ("MSA"), an Argentinean company in which MAI has a 99.23% ownership interest. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included therein and in the following MD&A are expressed in Canadian dollars unless otherwise indicated.

The Company's head office and principal business address is 340 Richmond Street West, Toronto, Ontario M5V 1X2. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and trades its common shares on the TSX Venture Exchange (the "Exchange"), under the symbol MSR. Additional information relevant to the Company's activities, including press releases, can be found on SEDAR at www.sedar.com or www.minsud.com.

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING

The Financial Statements have been prepared by management in accordance with IFRS and have been approved by the Company's board of directors (the "Board"). The integrity and objectivity of these Financial Statements are the responsibility of management. In addition, management is responsible for ensuring that the information contained in the MD&A is consistent where appropriate, with the information contained in the Financial Statements.

The Financial Statements may contain certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the Financial Statements are presented fairly in all material respects.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its audit committee. The members of the audit committee are appointed by the Board and have sufficient financial expertise to assume this role with the Company. The majority of the audit committee members are independent and not involved in the Company's daily operations.

CAUTIONARY NOTE ON FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws (collectively referred to as "forward-looking information") which relate to future events or the Company's future performance and may include, but are not limited to, statements about strategic plans, spending commitments, future operations, results of exploration, anticipated financial results, future work programs, capital expenditures and expected working capital requirements. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Readers are cautioned not to place undue reliance on forward looking information and there can be no assurance that forward looking information will prove to be accurate as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking information if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking information will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking information, include, but are not limited to: fluctuations in the currency markets (such as the Canadian Dollar, Argentine Peso and the United States Dollar); changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in Canada and Argentina or other countries in which the Company may carry on business in the future; operating or technical difficulties in connection with exploration and development activities; risks and hazards associated with the business of mineral exploration and development (including environmental hazards or industrial accidents); risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; the presence of laws and regulations that may impose restrictions on mining, including those currently enacted in Argentina; employee relations; relationships with and claims by local communities; availability and increasing costs associated with operational inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses, permits and approvals from government authorities; business opportunities that may be presented to, or pursued by, the Company; challenges to, or difficulty in maintaining, the Company's title to properties; risks relating to the Company's ability to raise funds; and the factors identified under "Risk Factors" in this MD&A and in the Company's Filing Statement dated April 27, 2011 available under the Company's profile at www.sedar.com.

The forward looking information contained in this MD&A are based upon assumptions management believes to be reasonable including, without limitation: financing will be available for future exploration, development and operating activities; the actual results of the Company's development and exploration activities will be favourable or at least consistent with management's expectations; operating, development and exploration costs will not exceed management's expectations; all requisite regulatory and governmental approvals for development projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company such as the continuing support for mining by local governments in Argentina; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to the Company or at least consistent with management's expectations; no title disputes will exist with respect to the Company's properties; debt and equity markets and other applicable economic conditions will be favourable to the Company; the availability of equipment and qualified personnel to advance exploration projects and; the execution of the Company's existing plans and further exploration and development programs for its projects, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs.

All forward-looking-information contained in this MD&A is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

CORPORATE OVERVIEW

The Company was incorporated under the *Business Corporations Act* (Ontario) ("OBCA") on October 11, 2007 under the name "Rattlesnake Ventures Inc." and changed its name to "Minsud Resources Corp." on May 10, 2011 upon the completion of its Qualifying Transaction (as defined under the policies of the TSX Venture Exchange) through which it ceased being a capital pool company.

As a result of its Qualifying Transaction, the Company acquired all of the issued and outstanding shares of Minsud Resources Inc. ("MSR") by way of a three cornered amalgamation resulting in the amalgamation of MSR and 1830835 Ontario Inc., a wholly owned subsidiary of the Company, to form MAI (the "Minsud Transaction"). At the time of the completion of the Minsud Transaction, MAI became the owner of 95% of the issued outstanding shares of MSA, which was previously held by MSR. As at December 31, 2015, MAI held 69,951,699 of the 70,494,299 outstanding common shares of MSA, representing an ownership interest of 99.23%.

As of the date of this MD&A, the members of the Company's Board of Directors are Alberto Francisco Orcoyen (Non executive - Chairman), Carlos Alberto Massa (President and Chief Executive Officer), Howard Coates (Vice-President-Exploration), Scott White, Diego Perazzo, Hugo Dragonetti (Jr) and Carlos Adamo. As of the date of this MD&A, Mr. Orcoyen, Mr Adamo and Mr. White form the Company´s audit committee, and Mr. Orcoyen, Mr Adamo and Mr Perazzo form the compensation committee. All members of the Company's Board of Directors were re-elected as Board members at the annual Shareholders' Meeting held October 16, 2015,

The Board of Director is made up of a majority of indendent directors in accordance with the guidance of TSX-Venture Exchange policies being them Alberto F. Orcoyen, Scott White, Carlos Adamo and Hugo Dragonetti (Jr).

PRINCIPAL BUSINESS OF THE COMPANY

The Company is focused on the business of mineral and resource exploration and development in Argentina through MSA, the Company's 99.23% controlled indirect subsidiary.

The Company's principal exploration project is the Chita Valley project consisting of three core contiguous properties, namely, Chita, Brechas Vacas and Minas de Pinto mineral concessions (8,350 ha), and four additional claims adjacent to such properties, in total the company controls an area of 17,400 hectares or 174 square kilometers. Please see more details in "Chita Valley Project – Mining Rights" found later in this MD&A.

The Company also owns 100% of the mining rights at the La Rosita (9,970 ha) and San Antonio (7790 ha) gold and silver prospects at the Deseado Massif – Santa Cruz Province, República Argentina.

Although Minsud's technical team believes that the areas controlled by the Company in Chubut (23,000 ha) are highly prospective, management is now evaluating the current framework for exploring and doing business in this province in order to make a decision regarding the retention or abandonment of these properties. See "Recent Argentine regulations and important developments", section iv).

During the year ended December 31, 2015, MSA has relinquished its mining rights at Calqui prospect (9,000 ha) at Rio Negro Province. The prospect was a grass-roots in nature located in zones where inhabitants and landowners are strongly declared as anti-mining making it very difficult for the Company to obtain permits to work for more than five years. Management intended to deal with larger companies with properties in the Province of Rio Negro but has not even received an offer. After evaluating the situation and due to the need of reducing expenses, mainly in properties where there is no plan or budget assigned, the decision of relinquishing was made.

The properties located in Chubut and Rio Negro discussed above does not represent a material part of the Company's operations. All expenses incurred on the properties were written off in prior years.

BUSINESS DEVELOPMENTS DURING THE YEAR ENDED DECEMBER 31, 2015

The encouraging drilling results obtained from the two programs executed in 2014 guided Minsud towards the preparation of an initial resource estimation at the Chita Porphyry South. In March 2015, Minsud retained P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario to review project data and prepare a Technical Report that complies with Canadian National Instrument 43-101 standards. The Tehcnical Report was filed on SEDAR on July 8, 2015 under the name NI 43-101TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE ON THE CHITA VALLEY PROJECT SAN JUAN PROVINCE, ARGENTINA FOR MINSUD RESOURCES CORP.

The Company has also completed a state of the art grounded electrical geophysical survey over the Chita and Chinchillones areas. Induced Polarization ("IP")/Resistivity surveying included 48.8 line km of pole-dipole and 4.5 line km of dipole-dipole array coverage.

During fiscal year 2015, the Company issued 27,904,775 units (pursuant to non-brokered private placements closed in April, August and September) for aggregate gross proceeds of $3,254,664. In addition, 1,789,545 units were issued as settlement for 30 %, or $ 259,772, of an amount payable to a drilling company according to the terms of the drilling agreement for the program conducted in September 2015.

Looking to the future, Minsud is committed to systematically moving the project towards the economic feasibility stage, a task that will again challenge management's ability to raise sufficient financing in difficult market conditions. It should be noted that since June 2012, management has been able to raise more than $ 6.6million through six non-brokered private placements ("NBPP") with investors that share the Company's long-term vision. No commissions or finder fees were paid in connection with these NBPPs.

The net proceeds of the NBPPs have been used, primarily, in a drilling program to continue outlining the Cu-Mo-Ag-Au deposit at the Chita porphyry, as well as an initial test of new high quality targets recently confirmed by a state of the art IP/ resistivity geophysics at the Chita Valley Project, payments related to option agreements and the financing of mining rights acquisitions, and for general working capital and corporate overhead requirements.

Pursuant to the drilling campaign that commenced on September 16, 2015 and finalized on October 11, 2015, 4,088 mts DDH were drilled at the Chita porphyry at a rate of 170 mts per day with no accidents to report.

In October 2015, Minsud again retained P&E to review the recently obtained project data and prepare an updated Technical Report that complies with Canadian National Instrument 43-101 standards. The report includes an updated Mineral Resource estimated under the CIM definition standards. On February 1, 2016, the Technical Report was filed under the Company's profile at www.sedar.com. It is also accessible at the Company's website (www.minsud.com). Please see Page 15 of this MD&A for additional discussion of the Technical Report.

Management is encouraged with the results of the 2015 exploration program, highlighted by an approximate 72% increase of in-pit Inferred Mineral Resources but it also believes that the mineral potential of the Chita Valley Project as a whole goes far beyond of what we currently know about the mineralization at the south Chita Porphyry area. Targets like PNO, Chinchillones, Placetas and Minas de Pinto are among the other main targets which are subject to our systematic exploration approach according to financial availability.

On March 31, 2016 Minsud announced that it intends to complete, subject to the approval of the TSX Venture Exchange (the "TSXV"), a non-brokered private placement of units of the Company ("Units") for gross proceeds of up to $1,000,000 (the "Private Placement") at $0.10 per Unit. The net proceeds will be used to continue exploring the Cu-Mo-Ag-Au deposit at the Chita porphyry as a main focus, in addition to payments related to option agreements and financings of mining rights acquisitions, as well as working capital and corporate overhead requirements.

EXPLORATION DEVELOPMENTS DURING THE YEAR ENDED DECEMBER 31, 2015

I. CHITA VALLEY PROJECT

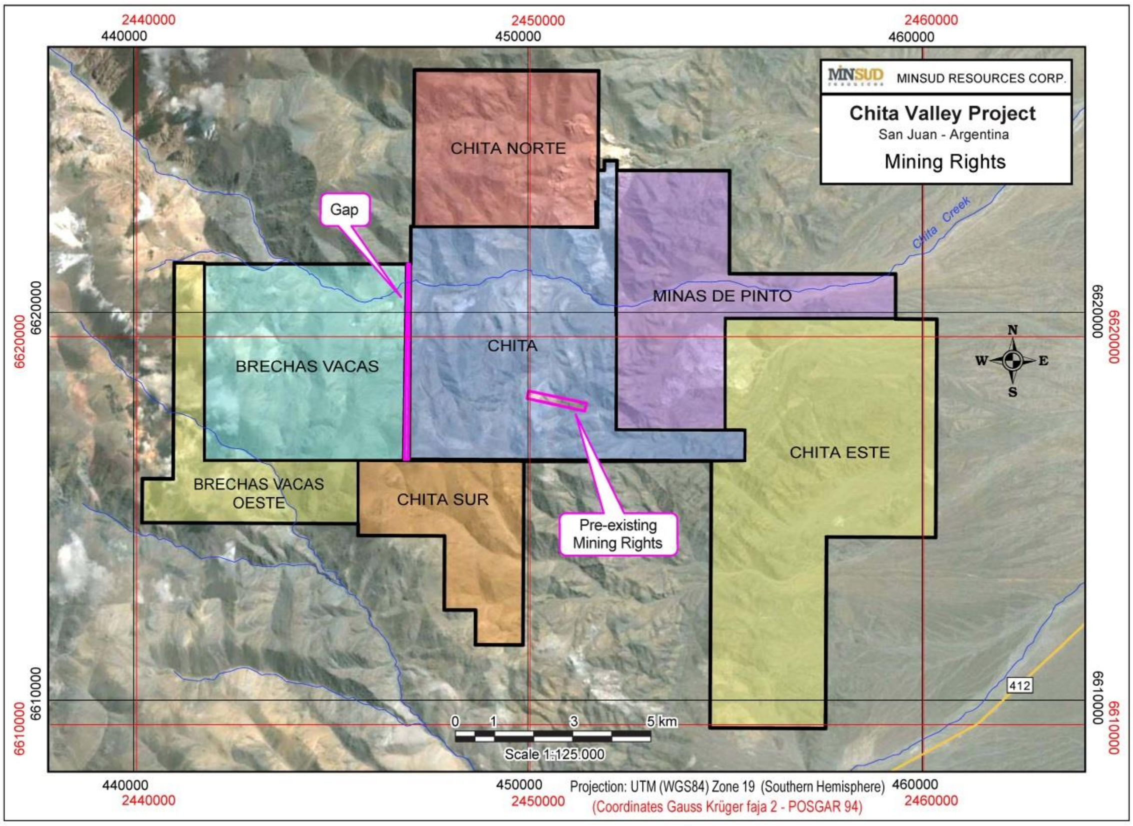
A) Mining rights

The Chita Valley Project consists of seven contiguous properties including the core properties Chita, Brechas Vacas and Minas de Pinto mining concessions (8,513 ha).

Minsud, through its subsidiary MSA, also owns the Chita Este (formerly the "Chita II") exploration permit (4,491 ha) and the Brechas Vacas Oeste exploration permit (1,232 ha). As of the date of this MD&A, both exploration permits are still pending approval.

During the third quarter of 2014, MSA acquired the Chita Norte and Chita Sur exploration permits adjacent to Minsud's 100% owned Chita mining concession in exchange for a 2% Net Smelter Return (NSR) royalty on future production revenue from the acquired exploration permits. Minsud has the right to purchase one half or 1% of the NSR royalty by paying US$750,000. Chita Norte is an exploration permit covering 1,881 hectares and the Chita Sur is an exploration permit pending approval covering 1,304 hectares.

Minsud's Chita Valley Project now comprises 17,423 hectares or 174 square kilometers as shown in the following map:



The Company, through its affiliate MSA, owns 100% of the Chita property and the four Exploration Permits adjacent to its main properties. MSA is also the beneficial owner of a 50% interest in the trust that owns the Brechas Vacas property (the "Brechas Vacas Trust"), while the remaining 50% beneficial interest in the Brechas Vacas Trust is subject to an exclusive and irrevocable purchase option agreement granted in favor of MSA. MSA is also the beneficial owner of a 50% interest in the Minas de Pinto Trust, while the remaining 50% beneficial interest in the Minas de Pinto Trust is subject to an exclusive and irrevocable purchase option agreement granted in favor of MSA. The Minas de Pinto Trust owns 100% of the Minas de Pinto properties and the Brechas Vacas Trust owns 100% of the Brechas Vacas properties. Further information is disclosed in Note 6 of the Financial Statements.

Thirty hectares within the boundaries of the Chita property are owned by third parties. However, the Company does not consider such property held by third parties as being material to its current exploration activities.

In addition, a gap of 6.6 hectares between the properties of Chita and Brechas Vacas had been claimed by third parties and is currently under dispute with the local mining authority. The Graphic Register of Mines (Registro Gráfico de Minas) has denied registration to such third party´s claim. This step is in line with the stance of MSA in the sense that such claim has not enough surfaces for mineral dissemination or for vein mineralization, according to the Argentine Mining Code. On September 17, 2013 the Legal Department of the Ministry of Mines of San Juan Province issued a legal opinion denying such third party claims based on the same plot as argued by MSA. The issue then progressed up to the Mining Council which issued the final resolution confirming denying the claim of the third parties and issuing an order to delete it from the Registro Gráfico de Minas. MSA had requested the extension of the mining concessions Chita I, II and V up to the western boundaries with Brechas Vacas covering the whole area.

B) Environmental Impact Reports

On October 18, 2012, the first bi-annual actualization of the Chita property Environmental Impact Report (EIR) or Declaración de Impacto Ambiental (DIA) was approved by the Ministry of Mining of San Juan Province. The resolution has also imposed certain conditions which MSA must comply with, which are basically related to providing an archeological prospection report, surveying on glacier and periglaciear areas, monitoring water, flora and fauna on the Chita district.

MSA hired independent advisors and specialists to complete these requirements within the terms granted. MSA has already filed the requested: (i) the report on glacier, periglacier and permafrost prepared by UMACONSULT, Dra Lydia E. Espizúa, Lic Jorge D. Bengochea, Lic Hernán Gargantini y Lic Pedro M. Pite. (ii) The flora and fauna report, prepared by Dr Jorge M. Gonnet. (iii) The Archeologic prospection report prepared by Lic Teresa Michieli.; and (iv) Water analysis based on samples taken by Lic Armando Sanchez.

The Ministry of Mines approved by Resolution N° 167 passed on July 27, 2015 the second actualization of the Chita´s DIA for a new period of two years that will be in force up to July 27, 2017.

During the year ended December 31, 2013, MSA filed within legal term the third actualization of the Brechas Vacas´s DIA. On October 17, 2014 the Ministry of Mines passed Resolution N° 278 approving this actualization that will be in force up to October 17, 2016 when a new actualization will be required.
On November 3, 2014, the Ministry of Mines issued the Resolution N° 289 approving the second actualization of the Minas de Pinto´s DIA that will be in force up to November 3, 2016.

C) Landowners:

On July 1, 2015 the landowners of the terrain where the warehouse of MSA is located within the Chita Property signed an agreement granting permission to stay and accesss their property during the exploration period. This is a very important step forward to obtain the servitude of pass and stay that MSA has requested under the Mining authority.

D) Geological features

The Chita Valley Project is located within the eastern part of tectono-metamorphic unit known as the Andean Frontal Cordillera. The Paleozoic basement of the Andean Frontal Cordillera is exposed out on its easternmost margin, where it meets the Rodeo-Calingasta basin.

The Andean Frontal Cordillera is composed mainly of Upper-Paleozoic strata deposited unconformably on a middle Paleozoic basement or Lower Paleozoic sediments, dependent upon its location. This formation was folded and then intruded by Lower Permian granitoids. A series of porphyries and subvolcanic andesitic bodies of middle to upper Tertiary age are seen cutting all the previous rock sequences, or occurring locally as volcanic flows.

The oldest exposed basement rocks in the Chita Valley region belong to the Upper Carboniferous-Permian age Agua Negra Formation. Regionally the formation is a made up of alternating sandstones, quartzites, lutites and conglomerates, with limestones in the upper part. The Devonian and Permo-Carboniferous marine sedimentary rocks, are intruded by Permo-Triassic granitoids, and an Andean Mesozoic–Tertiary cover sequence intruded by Mesozoic and Tertiary granitoids.

Structurally, the Chita Valley Project is located along a NW striking valley associated with a regional transfer fault. A complex of sub-volcanic mineralized intrusives are located at the intersection of the NW transfer faults with the N-S faults of the Andean structural system, as is the Chita copper-molybdenum mineralized porphyry complex. Recent detailed lithological mapping, mineralization and alteration studies by Minsud have encountered enigmatic features that are indicative of a variety of classical mineralization environments.

Deposit Models: The northwestern region of San Juan Province, Argentina and neighbouring Chile is home to a world class collection of precious and/or base metal deposits mostly within a broad classification of hydrothermal deposits related to Tertiary diatreme volcanic vent/porphyry complexes. Deposits are hosted by a variety of plutonic, volcanic and sedimentary lithologies. In fact many known deposits show characteristics of multiple settings throughout time and are termed, enigmatic gold/base metal deposits. Northwestern San Juan Province also hosts an earlier group of Lower Permian-Triassic porphyry Cu-Mo and Cu-Au deposits and low-sulphidation Au deposits associated with intrusive and volcanic rocks, of calc-alkaline affinity.

The principal target types sought in the Chita Valley area are porphyry copper-molybdenum (± Au-Ag) and epithermal gold (± Ag and base metals) mineralization. Epithermal mineralization is related to large-scale convective systems driven by magmatic heat in the upper 1-6 kilometres of the Earth's crust. The broad category of epithermal gold deposits includes various sub-types.

History: Several old mineral prospects and mine workings exist on the property. Gold, silver, lead and arsenic were produced on a small scale early in the 20th century. The first documented exploration work started in 1968 by the Argentine government organization Direccion General de Fabricaciones Militares in search of Cu-Mo porphyry type deposits. Various junior and major companies conducted localized intermittent exploration work between 1989 and 2008. Minsud has been involved in the area since 2006.

Exploration Work Performed by MSA from 2006 to 2014: After acquiring the Chita, Breccas Vacas and Minas de Pinto Properties, MSA compiled historic work from various sources and completed two field programs in the summers of 2007 and 2008. The main ongoing objective of MSA was to define the geology, geochemistry, mineralogy, mineral paragenesis of the region in order to define the essential characteristics of the volcanic vent/porphyry system model as a guide to ongoing exploration.

The MSA exploration work from 2006 to 2014 is briefly summarized as follows:

- 2006-2008: compilation of historical work and geological reconnaissance/prospecting activities on the Chita, Breccas Vacas Properties.
- 2008: MSA drilled three diamond drill holes (845 m) in the areas of Chinchillones South and Breccias Chinchillones testing geophysical anomalies from a previous Schlumberger Vertical Electrical Sounding resistivity survey. Each hole intersected low sulphidation mineralization, MSA geologists recognized that the Breccia Chinchillones was a phreatomatic breccia containing anomalous precious metal values within a ENE to NE striking structure and that several other large breccia on the property with anomalous precious metal values required detailed examination.

  Drillhole MSA-08-A intersected 274 m of strongly argillic and phylic altered porphyry containing crystalline quartz veins and veinlets, disseminated sulphides and sulphide veinlets. The entire hole contained anomalous copper and molybdenum values with localized elevated gold and silver values. Drillhole MSA-08-B intersected a series of sub-vertical polymetallic (base metals and Au and Ag) veinlets within a Paleozoic quartzite. Drillhole MSA-08-C intersected a series of polymetallic veins and veinlets (base metals and Au and Ag) within the Paleozoic quartzite.

- 2009: MSA carried out a program of surface trenching. During this program 135 sites were manually cleared from which 651 rock samples were collected for geochemical analysis. Also 94 rock chip samples were collected by MSA (552 geochemical assays) that when added to the above rock samples gave a total of 1,203 geochemical assay results.
- 2011: Pinto Property added to the Project. MSA completed 16 diamond drill holes on the Chita Project with a cumulative total of 3,360.1 m, testing the targets Chinchillones South, Romina vein, Chita Porphyry South and Pinto veins
- 2012: an early stage exploration program was performed, including:
    - a ground magnetometer survey covering some 40 km2 (200 line km);
    - property wide surface geological mapping and general compilation of existing data at 1:10,000 scale;
    - detailed surface geological and alteration mapping at 1:2,000 scale over the Chita South Porphyry and at 1:1000 scale over the Chinchillones Prospects; and
    - Channel sampling of outcrops and hand dug trenches utilizing a portable diamond-blade saw to define geological units, alteration features and as an initial test of potentially mineralized structures.
- 2013: The strategy for the Chita Valley Project was the continuation of systematic detailed geological mapping and alteration studies with selective surface sampling to the Chita North Porphyry, Breccias Ridge- Porphyry "A", Placetas Porphyry, Romina and Pinto sectors:
    - detailed surface geological and alteration mapping at 1:2,000 scale over the Chita North Porphyry, Romina, Placetas Porphyry and Pinto sectors and at 1:1000 scale over the Breccas Ridge and Porphyry A Prospects; and
    - Channel sampling of outcrops and hand dug trenches utilizing a portable diamond-blade saw to define geological units, alteration features and as an initial test of potentially mineralized structures.
- 2014: The Chita Porphyry sector was the focus of most of the Company's exploration efforts that included two diamond drilling programs.
    - In May 2014, the Company completed a 6 hole, 1,122 meter diamond drilling program in the south Chita Porphyry sector of the Chita Valley Project. The program tested targets identified during the systematic multidisciplinary exploration program conducted in the sector in 2013 and more detailed work conducted in the first quarter of 2014. The drill holes tested a substantial zone of Cu-Ag-Mo-Au mineralized multi-stage vein systems and hydrothermal breccias in the southeastern border zone of the sector. All 6 holes intersected substantial core lengths of mineralization at relatively shallow depth beneath the zone of surficial weathering and oxidation.
    - In September 2014, the Company completed a 19 hole, 2,190.1 meter HQ diamond drilling program predominantly in the south Chita Porphyry sector of the Chita Valley Project. Highlights are broad sections including **60 meters** (approximately **51 meters vertical thickness**) averaging **0.59% Cu, 6.90 g/t Ag, 0.035% Mo and 0.07 g/t Au** and **54 meters** (approximately **46 meters vertical thickness**) averaging **0.66% Cu, 0.90 g/t Ag, 0.005% Mo and 0.10 g/t Au.** Another exciting intersection is **10 meters** core length (approximately **5 meters true thickness**) averaging **2.72% Cu, 128.9 g/t Ag, 0.84 g/t Au**. One drill hole, completed as an initial stratigraphic test of the north Chita Porphyry sector, also returned interesting Cu, Ag and Au values.

The mineralized sections include disseminated sulphides as well as veins hosted by multiple stages of epizonal intrusions and hydrothermal breccias. The complex mineralization styles are not conducive to the classical concepts of true thickness measurement, so vertical thickness determinations that would conform to conceptual pit design parameters are used instead. Lithological units, alteration patterns and magnetic anomalies are shown in the following diagrams. All pertinent lithological, alteration and magnetic features extend well beyond the current drilling pattern in all directions. Historical drill hole locations are also shown on the maps and sections.

All core samples were submitted to the ALS Laboratories in Mendoza, Argentina for preparation and analysis. ALS is certified to ISO-9001 international standards. All samples were analyzed for Au by fire assay/ AA finish, 30 g, plus a 33-element ICP scan. Minsud followed industry standard procedures for the work with a quality assurance/quality control (QA/QC) program. Field duplicates, standards and blanks were included with all sample shipments to the principal laboratory. Minsud detected no significant QA/QC issues during review of the data.

Minsud is encouraged by the generally consistent elevated concentrations of Cu, Ag and Mo as well as the more localized anomalous Au values. The current round of drilling has encountered the most promising mineralization seen to date in the Chita Valley Project. Furthermore some of the better intersections (Holes PSU14-21, 22 and 24) are at the outer limits of the current outline drilling pattern that is still open in all directions. Preliminary indications show a highly favourable mineralization/waste ratio for possible mining scenarios.

The 2014 exploration program represented a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market. Although Minsud was better financed than many junior explorers, the 2014 program reflected a careful go-slow approach designed to maintain the key assets that are its mineral properties and operational personnel. As a result, Minsud concentrated primarily on the continuation of detailed geological mapping and alteration studies with selective surface sampling, focused geophysical orientation surveys and exploration target drilling.

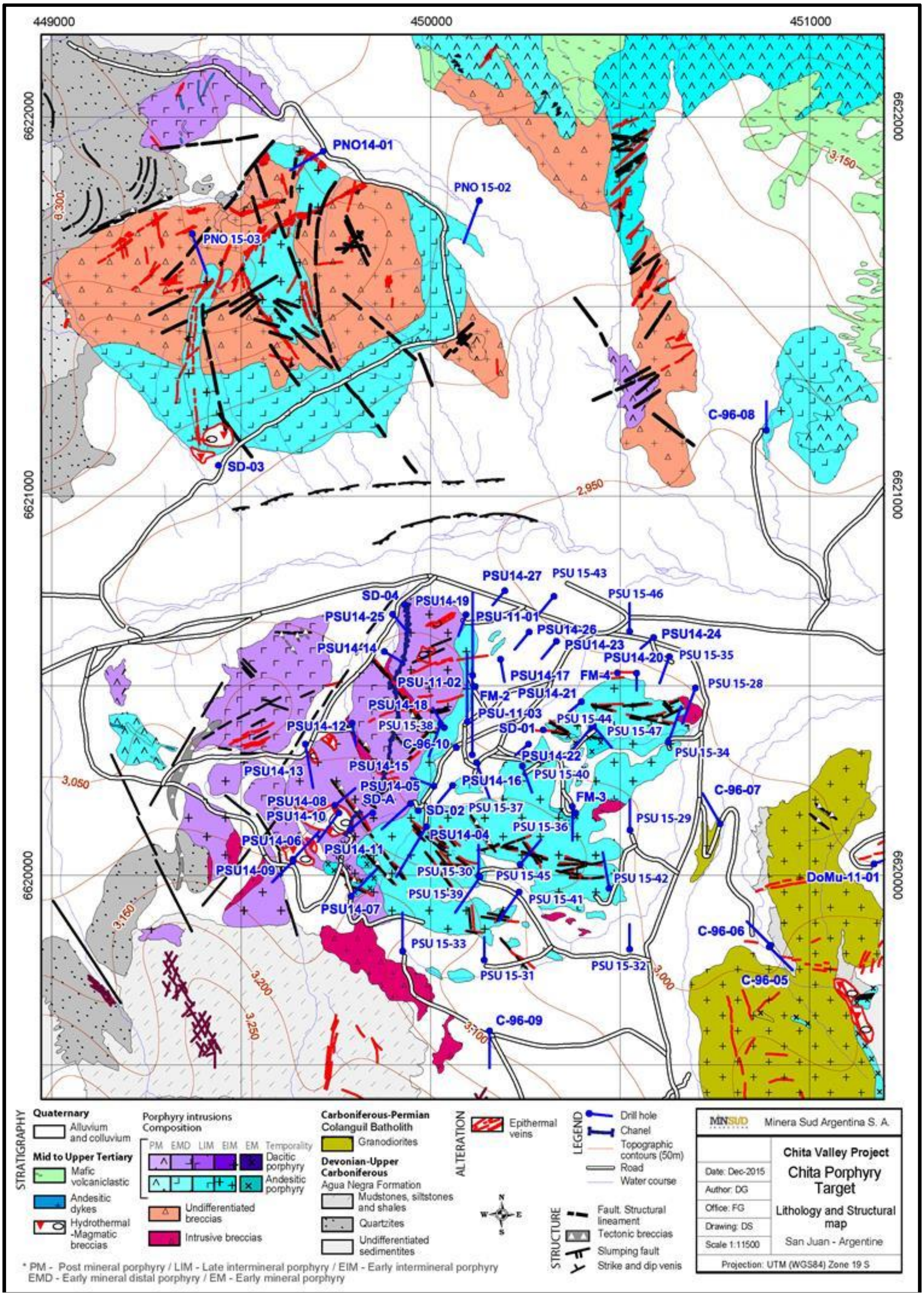
Exploration Work Performed by MSA in the Year of 2015: The initial part of the first quarter was taken up by completion of internal data management and reporting with respect to the 2014 exploration program and planning/budgeting for the 2015 program.

Early in the first quarter, field work including surface geological mapping and 364 metres of sawn channel samples sections for a cumulative of 182 samples of 2 metres each one taken mainly at the Chinchillones area.

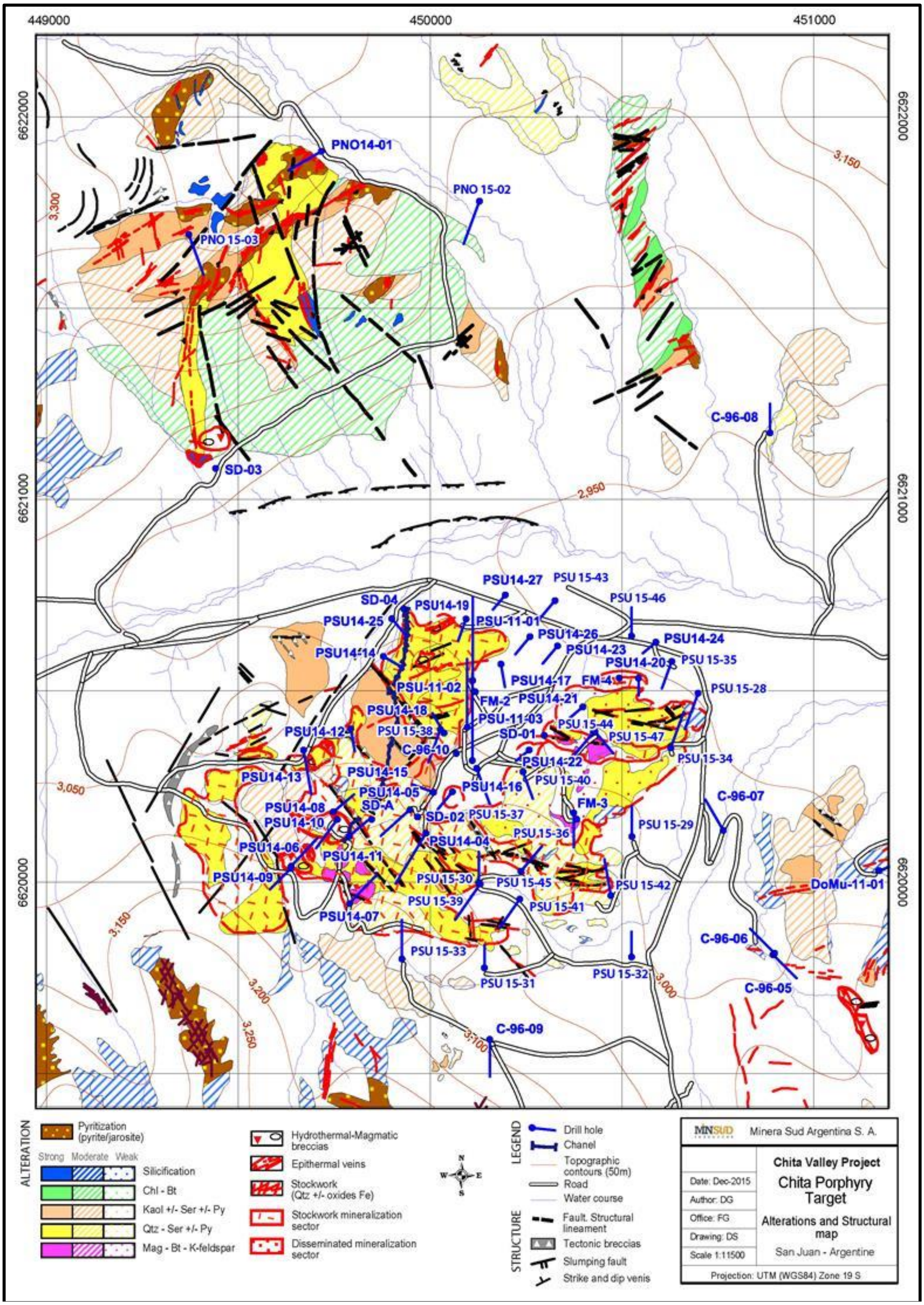
Also early in Q1, initial scoping level metallurgical testwork on samples from the south Chita Porphyry target was carried out at the Metallurgical Laboratory of the "*Instituto de Investigaciones Mineras*" (Mining Research Institute) at National University of San Juan (UNSJ) in Argentina. The samples utilized in the testwork were taken from the September 2014, HQ diamond drilling program. Five composites for metallurgical testwork were prepared from sample rejects based on mineralogy and grade. Three of these samples (MET1 – MET3) were considered to represent the bulk of the resource which is enriched in secondary copper sulphide minerals such as chalcocite.

Sequential leaching tests (which are diagnostic tests designed to assess the relative amounts of readily acid-soluble copper oxides and secondary copper sulphide minerals) were conducted on all composites. MET1 – MET3 returned 8 – 11 % acid soluble copper and 89 – 92 % cyanide soluble copper. These results suggest that an oxidative acid leach may be applicable. The predominance of copper sulphide minerals relative to oxide copper suggests that flotation may also be a viable processing route for certain high grade sectors. The report from this work was issued in April 2015.

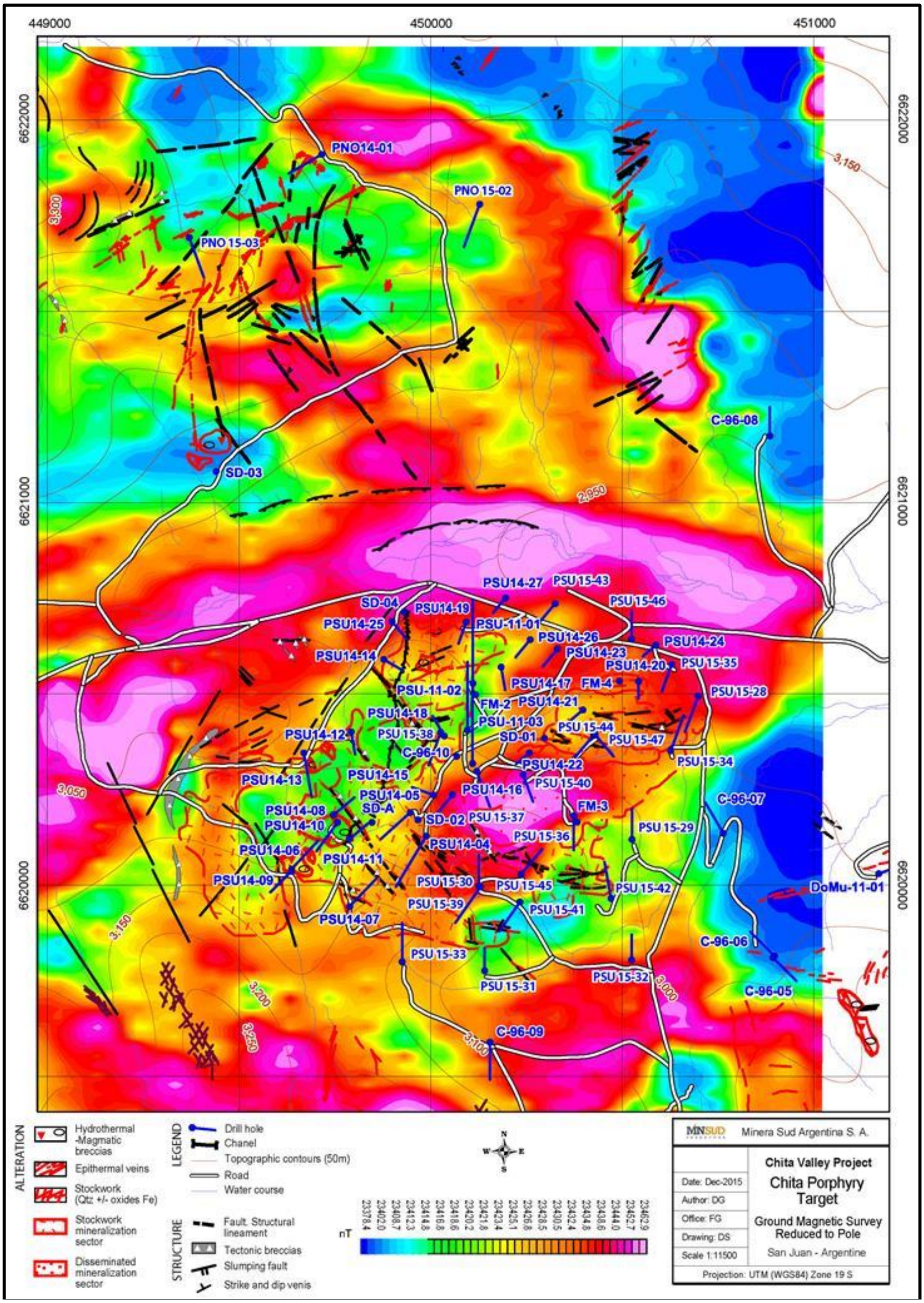
Chita Porphyry Lithological & Structural Map



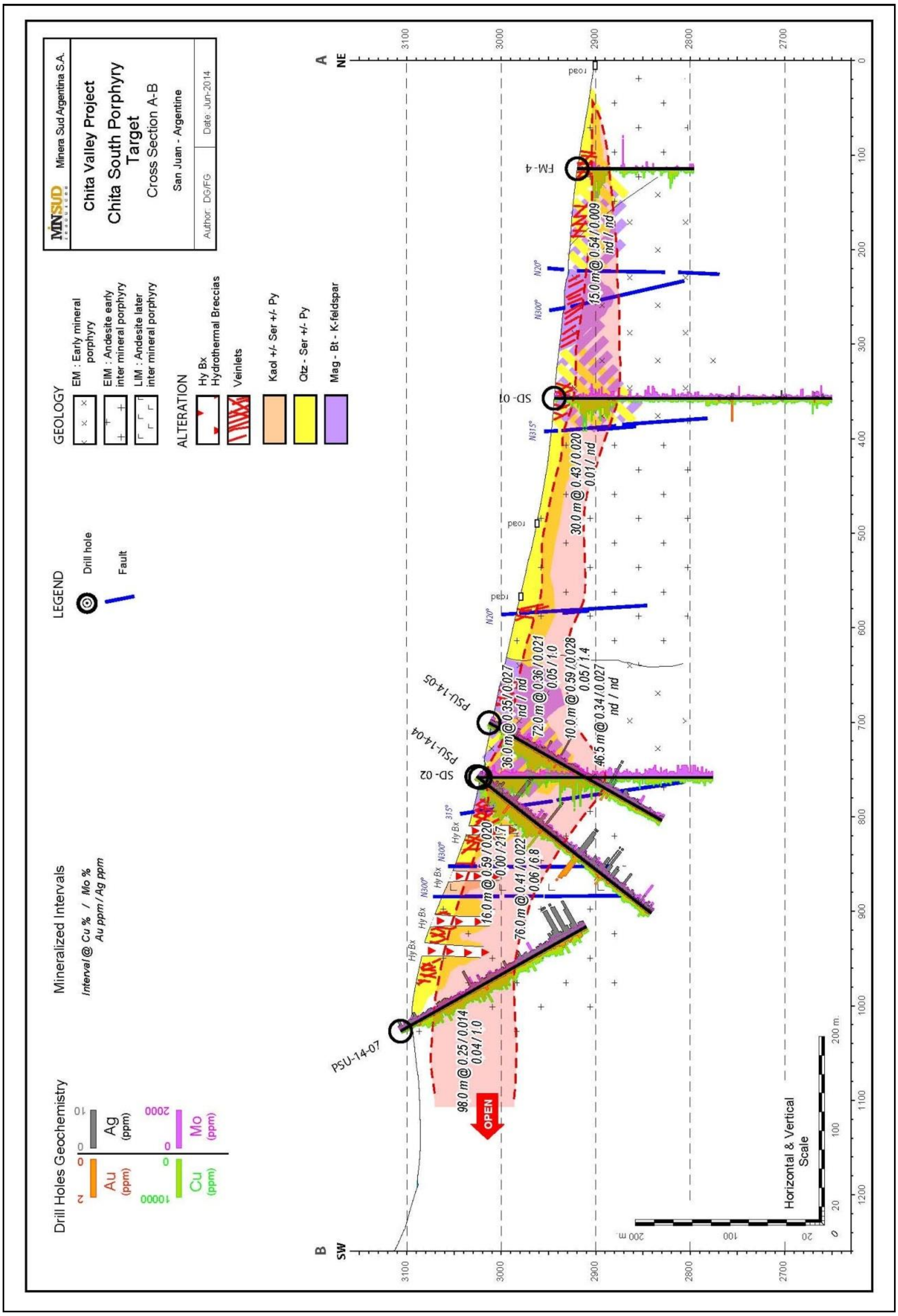
Chita Porphyry Alteration & Structural Map



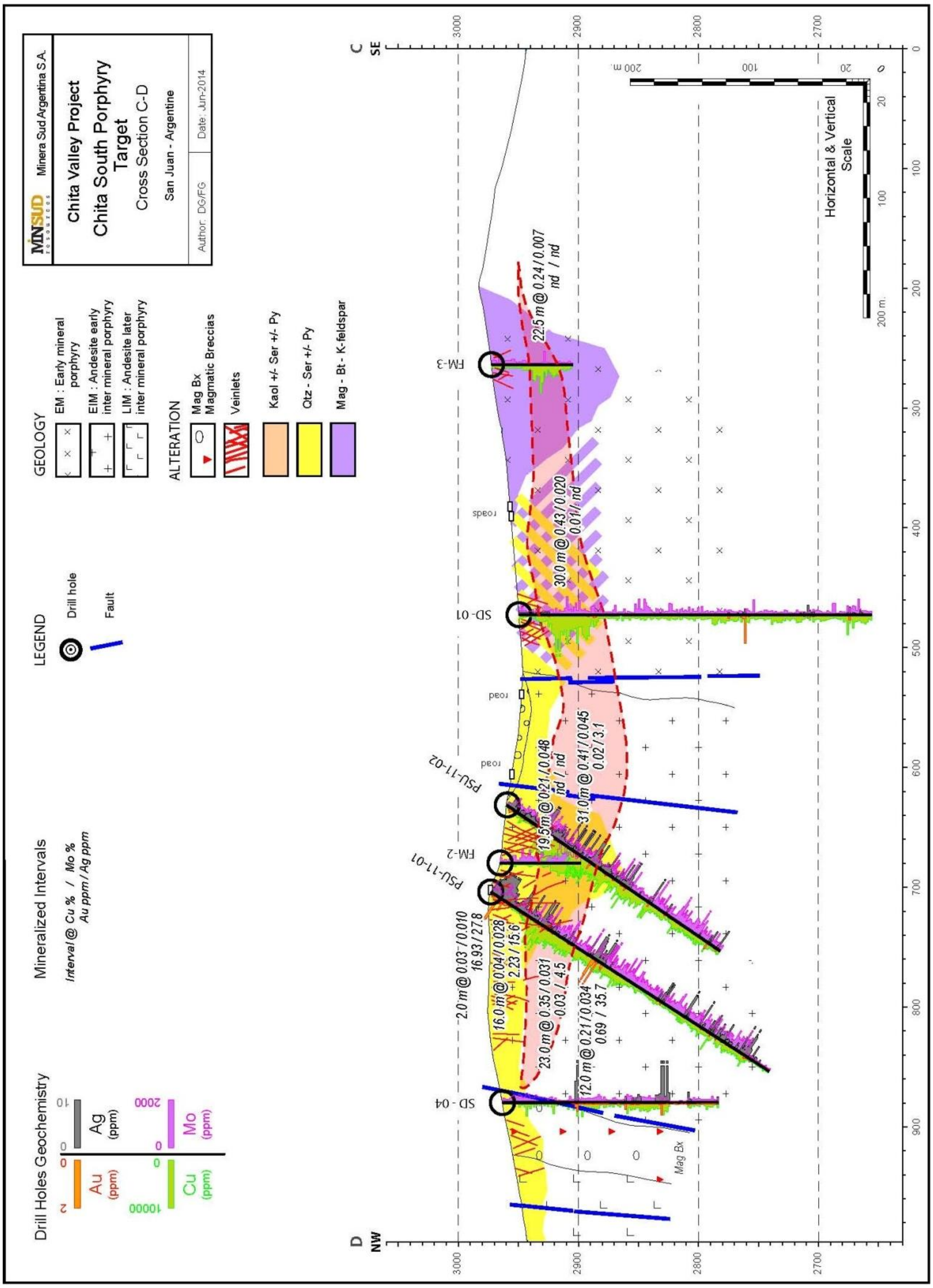
Chita Porphyry Ground Magnetic Survey, Reduced to Pole Residual 1



Cross Section A-B



Cross Section C-D



In March 2015, Minsud retained P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario to review project data and prepare a Technical Report that complies with Canadian National Instrument 43-101 standards. The report includes a Mineral Resource estimated under the CIM definition standards[(3)]. In P&E's opinion, the drilling, assaying and exploration work of the Chita Porphyry supporting this Mineral Resource Estimate are sufficient to indicate a reasonable potential for economic extraction. All mineral resources were classified as **Inferred category** based on the geological interpretation, semi-variogram performance and drill hole spacing. The Mineral Resource Estimate is tabulated below. P&E considers that the Cu, Au, Ag and Mo mineralization is potentially amenable to Open Pit extraction. The Technical Report has been publically filed under the Company's profile at www.sedar.com . The corresponding press release was filed on May 29, 2015.

The mineral resource estímate is based primarilly on 27 HQ diamond drill holes totaling 3,995 metres ("m") completed by MSA in 2011 and 2014 in the southern Chita Porphyry sector of the Chita Valley Project (see earlier press releases dated September 6, 2011, January 26, 2012, June 30, 2014 and November 4. 2014). Four historical holes completed in 1969, three holes from 1976 and one RC hole from 1996, most of which have been re-sampled and re-analyzed by Minsud, are added to the drilling database. The total database utilized for resource estimation includes 34 core holes and 1 reverse circulation hole totaling 5,193 m and 150 m, respectively for a combined total of 5,343 m (see table below). The drill holes tested a substantial zone of Cu-Au-Ag-Mo mineralized multi-stage vein systems and hydrothermal breccias in the southwestern border zone of the sector. In the 4th Quarter of 2014 and the 1st Quarter of 2015 the Company commissioned petrographic and scanning electron microscopy ("SEM") analysis of mineralized material and scoping level metallurgical testwork, focusing on leachable copper, respectively.

DRILL HOLE DATABASE SUMMARY						
Drilling Type	**# Drill Holes**	**Metres of Drilling**	**# Cu Assays**	**# Au Assays**	**# Ag Assays**	**# Mo Assays**
Historical Drill Holes	8	1,348	775	75	75	699
2011 MinsudDrill Holes	3	884	877	877	877	877
2014 Minsud Drill Holes	24	3,111	1,530	1,530	1,530	1,530
Total	**35**	**5,343**	**3,182**	**2,482**	**2,482**	**3,106**

CHITA IN PIT MINERAL RESOURCE ESTIMATE STATEMENT[(1-4)]								
All Inferred resources at 0.3% Cu Cut-off								
Tonnes	**Cu**	**Contained Cu**	**Au**	**Contained Au**	**Ag**	**Contained Ag**	**Mo**	**Contained Mo**
Mt	%	M lb	g/t	K oz	g/t	M oz	%	M lb
18.3	0.44	176.8	0.07	38.0	2.4	1.4	0.019	7.8

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. It is noted that no specific issues have been identified as yet.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

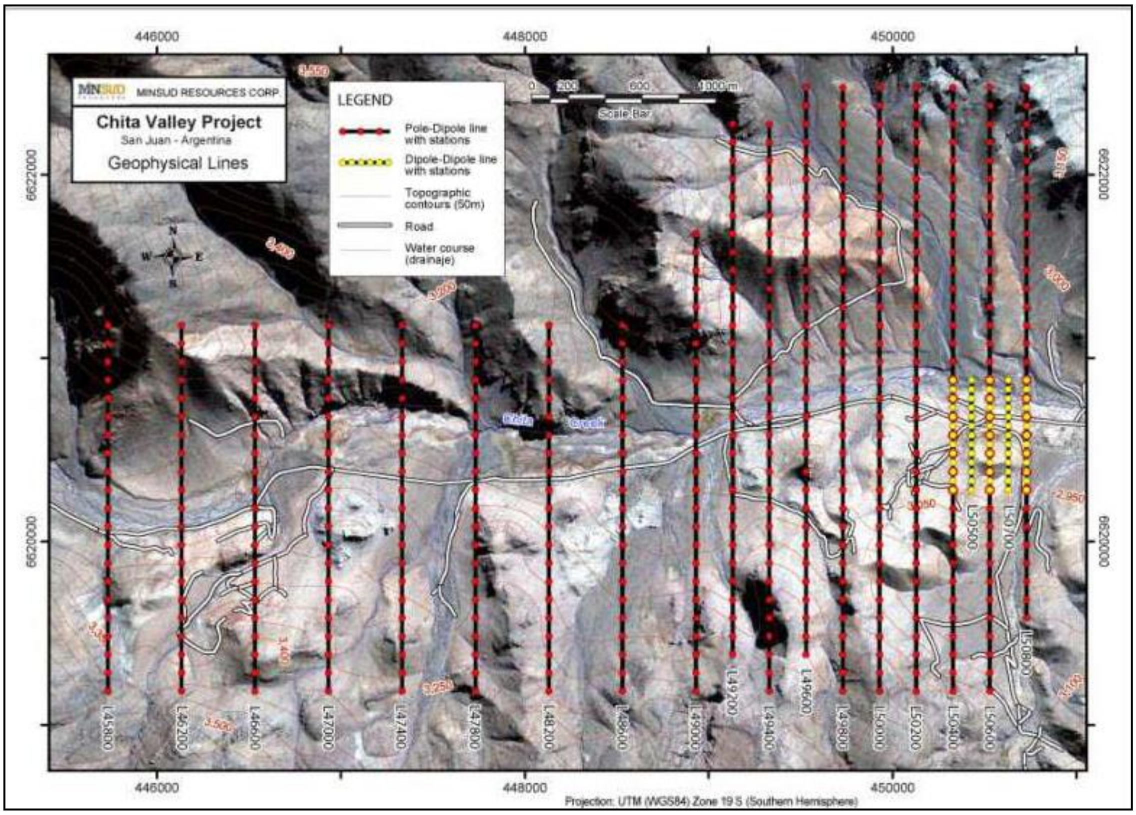
(3) The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

((4) The 0.30% Cu resource cut-off grade was derived from the Mar 31/15 two year trailing average Cu price of US$3.10/lb, 80% process recovery, 95% smelter payable, US$0.10/lb refining charge, US$12/t process cost, and US$3/t G&A cost. An optimized pit shell was utilized for resource reporting that utilized a US$2/t mining cost and 45 degree pit slopes.

Mineral resources are sensitive to the selection of a reporting Cu cut-off grade. The sensitivities of the Cu cut-off are demonstrated in the following table for the Chita open pit resource.

CHITA IN-PIT RESOURCE SENSITIVITY									
Cut-off	**Tonnes**	**Cu**	**Cont. Cu**	**Au**	**Cont. Au**	**Ag**	**Cont. Ag**	**Mo**	**Cont. Mo**
Cu%	**Mt**	**%**	**Mlb**	**g/t**	**Koz**	**g/t**	**Moz**	**%**	**Mlb**
0.50%	4.0	0.64	55.4	0.11	14.0	4.7	0.6	0.018	1.5
0.45%	5.9	0.58	75.4	0.09	17.8	4.1	0.8	0.019	2.4
0.40%	9.2	0.53	106.2	0.08	23.4	3.3	1.0	0.020	4.0
0.35%	13.8	0.47	144.1	0.07	30.5	2.7	1.2	0.020	6.0
0.30%	18.3	0.44	176.8	0.07	38.0	2.4	1.4	0.019	7.8

Also in March 2015 Quantec Geoscience Argentina S.A. was contracted to conduct an Induced Polarization ("IP")/Resistivity survey over the central portion of the Chita Valley Project area. The planned survey covers a 5 km strike length from the eastern edge of the Chita Porphyry sector to the western edge of the Chinchillones sectors. The IP/Resistivity survey is a pole-dipole survey (a=100 m and a=50 m; n=1 to 10) carried out with an IRIS VIP Transmitter and an IRIS Elrec Pro Receiver. Survey date is shown as pseudosections and inversions utilizing Oasis montaj 8.3 processing and UBC DCIP2D Version 3.2 inversion software. This state of the art survey represents another substantial step forward in the systematic multidisciplinary exploration approach. The survey layout is shown in below.



The third quarter of 2015 was mainly taken up with preparations for continuation of the drilling program in the Chita Porphyry Sector of the Chita Valley Project. The main objective is to continue outlining Cu-Au-Ag-Mo mineralization and Inferred Resources at relatively shallow depth beneath the zone of surface weathering and oxidation. Better Cu values are typically associated with the zone of supergene enrichment and the transition to primary mineralization at depth. The drilling program commenced on September 16, 2015.

In the fourth quarter of 2015 the Company completed a 22 hole, 4088 meter HQ diamond drilling program predominantly in the Chita South Porphyry sector of the Chita Valley Project.

In October 2015, Minsud again retained P&E to review the recently obtained project data and prepare an updated Technical Report that complies with Canadian National Instrument 43-101 standards. The report includes an updated Mineral Resource estimated under the CIM definition standards(3). In P&E's opinion, the drilling, assaying and exploration work of the Chita Porphyry supporting this Mineral Resource Estimate are sufficient to indicate a reasonable potential for economic extraction. All Mineral Resources at a 0.3% Cu cut-off were classified as **Inferred category** based on the geological interpretation, semi-variogram performance and drill hole spacing. The Mineral Resource Estimate is tabulated below.

DRILL HOLE DATABASE SUMMARY						
Drilling Type	**# Drill Holes**	**Metres of Drilling**	**# Cu Assays**	**# Au Assays**	**# Ag Assays**	**# Mo Assays**
Historical Drill Holes	8	1,198	775	193	75	699
2011 Minsud Drill Holes	3	880	877	877	877	877
2014 Minsud Drill Holes	24	3,111	1,530	1,530	1,530	1,530
2015 Minsud Drill Holes	20	3,419	1,669	1,669	1,669	1,669
Total	**55**	**8,608**	**4,851**	**4,269**	**4,151**	**4,775**

CHITA IN PIT MINERAL RESOURCE ESTIMATE STATEMENT(1-4)					
All Inferred resources at 0.3% Cu Cut-off					
Tonnes	**Cu**	**Contained Cu**	**Au**	**Ag**	**Mo**
Mt	%	M lb	g/t	g/t	%
31.5	0.45	310.7	0.07	2.2	0.017

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. It is noted that no specific issues have been identified as yet.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

(4) The 0.30% Cu resource cut-off grade was derived from the Nov 30/15 two year trailing average Cu price of US$3.02/lb, 80% process recovery, 95% smelter payable, US$0.10/lb refining charge, US$12/t process cost, and US$3/t G&A cost. An optimized pit shell was utilized for resource reporting that utilized a US$2/t mining cost and 45 degree pit slopes.

Mineral resources are sensitive to the selection of a reporting Cu cut-off grade. The Chita pit constrained mineral resource sensitivities of the Cu cut-off are demonstrated in the following table.

CHITA PIT CONSTRAINED RESOURCE SENSITIVITY						
Cut-off	**Tonnes**	**Cu**	**Cont. Cu**	**Au**	**Ag**	**Mo**
Cu%	**Mt**	**%**	**Mlb**	**g/t**	**g/t**	**%**
0.80%	1.0	0.99	21.9	0.190	10.33	0.010
0.70%	1.9	0.88	35.9	0.184	10.01	0.012
0.60%	3.6	0.76	60.8	0.147	7.65	0.014
0.50%	7.1	0.66	102.4	0.116	5.25	0.016
0.45%	10.9	0.59	141.7	0.100	4.13	0.016
0.40%	16.7	0.53	196.0	0.086	3.26	0.017
0.35%	24.2	0.48	258.0	0.075	2.60	0.017
0.30%	31.5	0.45	310.7	0.067	2.22	0.017
0.25%	35.3	0.43	334.0	0.064	2.10	0.017

All Company core samples and check samples of historical drilling were submitted to either the Alex Stewart Argentina S.A. or the ALS Minerals Laboratories in Mendoza, Argentina for preparation and analysis. Both are certified to ISO-9001 international standards. All samples were analyzed for Au by fire assay/ AA finish, 50 or 30 g, plus a 33-element ICP scan. Minsud followed industry standard procedures for the work with a quality assurance/quality control (QA/QC) program. Field duplicates, standards and blanks were included with all sample shipments to the principal laboratory. A representative selection of pulps have also been submitted to ISO-9001 certified referee laboratory, Alex Stewart (Assayers) Argentina SA in Mendoza for analysis. Minsud's company QP, Mr. Howard Coates, P. Geo., conducted site visits and detected no significant QA/QC issues during review of the data. In addition P&E geologist and Independent QP, Mr. David Burga, P. Geo., conducted site visits and collected suites of field duplicate core samples for verification purposes. Again there were no significant issues.

A third international laboratory Bondar Clegg Co. Ltd. merged with ALS Chemex the predecessor of ALS Minerals in December, 2001. The 1996 Bondar Clegg analytical data (for the single historical RC drill hole) is believed to be of the highest standards of the time, which predates the implementation of ISO/IEC 17025 standards. A fourth lab, historically operated by DGFM a department of the Government of Argentina, also predates ISO/IEC 17025 standards. This laboratory analyzed the DGFM core drilling from seven holes from 1969 and 1976. A total of 305 pulp samples were acquired by the Company in 2007 and submitted to the Alex Stewart Argentina S.A. This work predates the involvement of the in-house QP in the project. However, the QP has examined the remaining core and the 2007 analytical certificates without noting significant issues. The data is therefore considered to be adequate for current purposes of supporting an Inferred Mineral Resource Estimate.

The Technical Report supporting the above information was published on February 1st , 2016 and may be viewed under the Company's profile at www.sedar.com .

Minsud is encouraged by the generally consistent elevated concentrations of Cu, Ag and Mo as well as the more localized anomalous Au values. With maximum elevation in the sector below 3,100 m ASL (meters above mean sea level) field conditions are benign on a year round basis and no active alpine glaciers are possible below approximately 4,100 m ASL.

Minsud plans to continue investigating the commercial possibilities for processing and recovering the key metals while at the same time conducting additional outline and definition drilling to further delimit the deposit and evaluate the grade distribution of the mineralization.

II. LA ROSITA PROSPECT:

Geological features: The **Deseado Massif** of southeastern Argentina is a remnant of one of the world's largest silicic volcanic provinces known as the **Chon Aike Province** of Jurassic-lowermost Cretaceous age which underlies much of Patagonia and possibly includes similar rocks in Antarctica.

The Mesozoic volcanic, subvolcanic, volcaniclastic, epiclastic and sedimentary rocks of the Deseado Massif are formally referred to as the **Bahia Laura Group**. The principal stratigraphic unit of the Bahia Laura Group is the approximately 300 m thick **Chon Aike Formation** (not to be confused with the Chon Aike Province), which underlies an area of some 100 000 km^2 in Chubut and Santa Cruz Provinces. Felsic sub-aerial pyroclastic rocks predominate; ignimbrites form approximately 85% of the outcrop, with subordinate epiclastic deposits, air-fall tuffs and intercalated lavas.

Epithermal precious metals vein systems in the Deseado Massif are located along distinctive WNW and NNW structural trends proximal to rhyolite domes.

Previous MSA Exploration Work 2011 to 2012: During the 2011-12 campaign, an early stage exploration program was performed, including:

- a ground magnetometer survey covering some 16 km^2 (320.3 line km),
- detailed surface geological mapping and at 1:2,000 scale over an area of approximately 6 km^2, and
- 3.5 line km of mechanical trenches (51 trenches) to define geological units, alteration features and as an initial test of potentially mineralized structures.
- About 22 km of bush road construction was carried out to allow easy access the main target areas.

La Rosita Ongoing Work Recommendations: Exploration work carried out so far indicates the possible presence, at shallow depth, of an extensive low sulfidation epithermal system, similar to most deposits of the Deseado Massif. Minsud has plans for the future to continue with the systematic multidisciplinary approach to target definition. On December 23 MSA obtained permit from one of the main landowners of this mining concessions to commence new fieldworks between Febreuary and May 2016.

The next phase of target development will be an Induced Polarization/Resistivity survey preparatory to drill target definition. As noted previously with respect to the Chita Valley Project, Minsud's current exploration program represents a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market.

No exploration field work was conducted between 2013 and December 31, 2015.

SELECTED ANNUAL INFORMATION

The following selected financial data for the Company's most recently completed financial periods are derived from the audited financial statements of the Company.

	As at and for the Year Ended December 31, 2015 ($)	As at and for the Year Ended December 31, 2014 ($)	As at and for the Year Ended December 31, 2013 ($)
Other Income	-	420	183,191
Net loss for the year	(261,937)	(385,722)	(216,715)
Comprehensive loss for the year	(2,150,361)	(1,176,049)	(1,291,447)
Non-current assets	7,725,085	6,771,490	5,312,813
Current Assets	629,966	249,648	273,563
Non-current liabilities	380,297	466,981	223,312
Current Liabilities	474,678	515,104	311,154
Working Capital	155,288	(265,456)	(37,591)
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	13,420,207	10,669,507	9,041,202
Shareholders' Equity	7,500,076	6,039,053	5,051,910

PROJECT EXPENDITURES

Project expenditures for the year ended December 31, 2015 are as follows:

Year ended December 31, 2015	**Chita ($)**	**Brechas Vacas ($)**	**Minas de Pinto ($)**	**La Rosita ($)**	**San Antonio ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	89,001	70,195	167,392	NIL	592	NIL	327,180
Drilling	892,014	NIL	NIL	NIL	NIL	NIL	892,014
Road Construction	72,522	NIL	NIL	NIL	NIL	NIL	72,522
Assays	101,319	4,798	(1,033)	NIL	NIL	NIL	105,084
Geophysics	64,189	15,057	NIL	NIL	NIL	NIL	79,246
Labour and Technical Fees	553,466	97,771	15,211	2,031	990	NIL	669,469
Vehicles and Equipment	61,306	7,431	NIL	342	NIL	NIL	69,079
Travel and Lodging	76,108	4,782	NIL	911	NIL	NIL	81,801
Project Management	313,312	72,583	46,647	43,061	4,726	2,388	482,717
VAT Paid	238,729	8,362	990	1,188	NIL	NIL	249,269
Current Expenditures	**2,461,966**	**280,979**	**229,207**	**47,533**	**6,308**	**2,388**	**3,028,381**
Currency Translation Adjustment	(1,228,208)	(359,883)	(308,889)	(112,379)	(31,192)	(923)	(2,041,474)
Write-offs	NIL	NIL	NIL	NIL	(16,061)	(1,512)	(17,573)
Balance – beginning of year	**3,408,026**	**1,420,431**	**1,262,637**	**496,998**	**159,759**	**3,069**	**6,750,920**
Balance – end of year	**4,641,784**	**1,341,527**	**1,182,955**	**432,152**	**118,814**	**3,022**	**7,720,254**

(a) See Chita Valley Project section "Mining rights" discussed previously and Note 6 to the condensed interim consolidated financial statements.

Project expenditures for the year ended December 31, 2014 are as follows:

Year ended December 31, 2014	**Chita ($)**	**Brechas Vacas ($)**	**Minas de Pinto ($)**	**La Rosita ($)**	**San Antonio ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	76,636	44,825	483,385	NIL	1,312	2,086	608,244
Drilling	609,139	NIL	NIL	NIL	NIL	NIL	609,139
Road Construction	85,739	NIL	NIL	NIL	NIL	NIL	85,739
Assays	80,370	259	2,528	NIL	NIL	NIL	83,157
Geophysics	8,698	9,519	2,298	NIL	NIL	NIL	20,515
Labour and Technical Fees	379,095	19,934	20,527	3,939	656	NIL	424,151
Vehicles and Equipment	53,294	1,300	1,300	1,225	NIL	NIL	57,119
Travel and Lodging	63,970	1,003	747	371	NIL	NIL	66,091
Project Management	157,568	18,098	17,203	17,028	13,176	819	223,892
VAT Paid	162,973	(32,876)	2,679	(963)	(405)	NIL	131,408
Current Expenditures	**1,677,482**	**62,062**	**530,667**	**21,600**	**14,739**	**2,905**	**2,309,455**
Currency Translation Adjustment	(309,173)	(265,809)	(135,534)	(90,695)	(28,527)	53	(829,685)
Balance – beginning of year	**2,039,717**	**1,624,178**	**867,504**	**566,093**	**173,547**	**111**	**5,271,150**
Balance – end of year	**3,408,026**	**1,420,431**	**1,262,637**	**496,998**	**159,759**	**3,069**	**6,750,920**

(a) See Chita Valley Project section “Mining rights” discussed previously and Note 6 to the consolidated financial statements.

Chita Valley Project (Chita, Brechas Vacas and Minas de Pinto Properties)

During the year ended December 31, 2015, the Company spent $2,645,564 on the continued exploration of the Chita Valley Project, an increase of $980,199 from expenditures of $1,665,365 during the year ended December 31, 2014. Approximately 90% of this amount was invested in the Chita property, more specifically in the PSU target with respect to the preparation of an initial and further increased resource estimation as explained in more detail in the "Exploration Developments During the Year Ended December 31, 2015" section of this MD&A.

Expenditures incurred related to the Chita Valley project during the year ended December 31, 2015 are primarily related to the following:

(1) Geophysics IP/resistivity PDP (Pole – Dipole) and DPDP (Dipole Dipole) surveying over 53.3 km, of which 43.3 km (14 DPDP lines and 5 PDP lines) were made at Chita property and 10 km (5 PDP lines) were made at Brechas Vacas property.

(2) During September and October, the Company completed a 22 hole, 4088 meter HQ diamond drilling program predominantly in the Chita South Porphyry sector of the Chita Valley Project. The program tested targets identified during the systematic multidisciplinary exploration program conducted in the sector in 2013, and more detailed work including a 25 hole, 3,312 meter HQ drilling program conducted in two stages in 2014. The drill holes tested a substantial zone of Cu-Ag-Mo-Au mineralized multi-stage vein systems and hydrothermal breccias in the southeastern border zone of the sector. The 2015 program included two drill holes at the PNO target (North Chita Porphyry) that were added to the initial drill hole tested in 2014.

(3) Labour and technical fees: the Company maintains a full team in the field made up of three geologists and five operators, on a year-round basis. Management believes that the potential of the Chita Valley Project goes well beyond the PSU target, currently the main target on which the Company has concentrated the largest portion of our financial efforts. Targets like PNO, Chinchillones, Placetas and Minas de Pinto are among the other main targets which are subject to a systematic exploration approach according to financial availability. During fiscal 2015, for the Chita Valley Project expenditures on labour and technical fees were primarily related to: (i) the continued systematic exploration approach; (ii) the field-work tasks supporting the geophisic and drilling campaigns; (iii) the assistance in the preparation of a National Instrument 43-101 Mineral Resource Estimate and Technical Report; (iv) complementary geochemical and metallurgical tests; and (v) Planification and coordination of the field work activities for the drilling campaign, including access and road construction, logistic, operation control, QA/QC, sampling and reporting.

(4) Project management which basically includes all operative, administrative and logistical labor costs and expenses that give support to the team on the field, represented by the San Juan and Buenos Aires offices.

La Rosita Property

During the year ended December 31, 2015, the Company spent $47,533 on maintenance of the La Rosita property, an increase of $25,933 when compared to expenditures of $21,600 incurred during the year ended December 31, 2014. The Company has scaled back the spending on the La Rosita property during fiscal 2014 and 2015 due to financial restrictions but is planning to return to the field work during the fiscal 2016 campaign. An agreement with the landowner to access to the property has already been signed and 51 mechanical trenches will be reviewed in-field to further cover them as requested by the mining authority. The Company also plans to complete a full regional campaign and to conduct IP/Resistivity research on the main targets identified so far, basically Mogote Hill – Breccia Felices Pascuas and Vetas Marisol within the mining concession ALFA II.

San Antonio Property

During the period ended December 31, 2015, the Company wrote off exploration expenses of $16,061 related to certain exploration permits and mining concession of the Santa Maria property which covered 9,979 has and was located adjacent to the north of the main San Antonio property, as the Company had no further plans to explore the Santa Maria property.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three months and the year ended December 31, 2015, the Company incurred total expenses of $499,421 representing an increase of $113,279 when compared to expenses of $386,142 for the year ended December 31, 2014. The increase in total expenses is primarily due to an increased amount of professional fees charged ($61,071), an increase in stock-based compensation ($31,082) and a write-off of mineral properties ($17,573).

Cash expenses of $374,793 for the year ended December 31, 2015 were incurred by the Company, representing an increase of $64,624 when compared to cash expenses of $310,169 for the year ended December 31, 2014.

The Company incurred professional and regulatory fees of $296,841 during the year ended December 31, 2015. This amount includes management salaries and fees paid for the services of the CEO and CFO, as well as general accounting, audit and legal fees. Professional and regulatory fees increased by $61,071 when compared to expenses of $235,770 incurred during the year ended December 31, 2014, and these differences are driven by an increase in the amounts paid to key management personnel as their fees moved back towards previous levels that were originally reduced in June 2014 and 2013.

Marketing and communications expenses of $18,716 were incurred by the Company during the year ended December 31, 2015. This was an increase of $1,748 when compared to similar expenses of $16,968 for the year ended December 31, 2014.

The Company incurred general and administrative expenses of $33,668 during the year ended December 31, 2015, representing an increase of $1,564 when compared to similar expenses of $32,104 incurred during the year ended December 31, 2014

During the year ended December 31, 2015, the Company incurred an expense of $25,568 for taxes payable related to the ownership of MSA. These expenses were consistent with the year ended December 31, 2014 with nominal increases.

During the year ended December 31, 2015, the Company earned gains of $237,484, related to foreign exchange differences earned through the acquisition and disposition of Argentine Bonds. The Company did not have any such transactions during the year ended December 31, 2014.

The Company also incurred the following non-cash expenses that contributed to the net loss for the year ended December 31, 2015:

- Expenses related to stock-based compensation for the year ended December 31, 2015 were $107,055. Stock-based compensation for the 2015 fiscal year increased by $31,082 when compared to stock-based compensation expense of $75,973 for the year ended December 31, 2014. The fluctuations in stock-based compensation year-to-year is a factor of the timing related to the vesting of stock options during the fiscal year.

- A write-off of exploration expenses during the year ended December 31, 2015 of $17,573 related to certain exploration permits and mining concession of the Santa Maria property which covered 9,979 has adjacent to the San Antonio property, as the Company had no further plans to explore the Santa Maria property and had to cut out further expenses on the area.

Finally, the significant currency translation adjustment that resulted in an accounting loss of $1,888,424 during the year ended December 31, 2015 was due to a combination of four factors. First, during the three month period ended March 31, 2015, the less accelerated rhythm of devaluation of the Argentine Peso against the American Dollar together with a significant devaluation of the Canadian Dollar against the American Dollar had a combined positive impact of $ 330,241. Second, during the three month period ended June 30, 2015, the Argentine Peso continued its devaluation trend while the Canadian Dollar showed more stability resulting in combined negative impact of $253.867. Third, during the three month period ended September 30, 2015, there was a smaller devaluation of the Argentine Peso against the American Dollar with a continued devaluation of the Canadian Dollar compared to the American Dollar (similar to the first quarter of fiscal 2015) which resulted in a positive impact of $211,867. Finally, during the three month period ended December 31, 2015, there was a significant devaluation of Argentine Peso against the US Dollar that resulted in a negative impact of $2,176,665. This was a result of changes introduced by the new Argentine government during the quarter with respect to bring the official rates of foreign exchange more in line with market trends. Therefore the net accumulated effect yielded a negative result of $1,888,424 during the year ended December 31, 2015.

It should be noted that, historically, the Company’s foreign currency translation in accordance with IFRS has had a negative impact on the Canadian Dollar values of the MSA net assets, and the Company has reported losses related to the foreign currency translation on its consolidated statement of comprehensive loss. This negative impact is the result of the habitual trend in Argentina to devalue its currency due to high internal inflation rates.

The currency translation adjustments discussed above primarily relate to amounts capitalized as mineral properties. The impact of the translation on the Company’s liquid assets was minimal.

The effects of the new Argentine government had been previously anticipated by the management and was discussed as follows in the MD&A for the three and nine months ended September 30, 2015: “Management considers that the current exchange rate for the AR$ is delayed according to internal inflation and competitive devaluations that took place in many developed and undeveloped countries during this year. It is anticipated that the new government elected in November 22th, 2015 could accelerate the exchange rate devaluation in a way that will probably include an initial macro-devaluation.”

SELECTED QUARTERLY INFORMATION

The following table shows selected financial information related to the results of the Company´s most recent periods. The information contained in this table should be read in conjunction with the Company´s financial statements.

Fiscal Year	**2015**				**2014**			
For the quarters ended	**Dec**	**Sep**	**Jun**	**Mar**	**Dec**	**Sep**	**Jun**	**Mar**
	$							
Net Revenues	Nil	Nil	Nil	Nil	Nil	420	Nil	Nil
Net income (loss) for the period	81,132	(108,167)	(109,364)	(125,538)	(116,804)	(86,959)	(97,385)	(84,574)
Comprehensive Income (Loss) for the period	(2,095,533)	103,700	(363,231)	204,703	3,182	(5,079)	(338,579)	(835,573)
Income (Loss) per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)

Factors affecting quarterly results

Fluctuations in quarterly results are primarily caused by stock-based compensation related to the issuance of stock options and exchange rate fluctuation of the Argentine peso.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $155,288 as at December 31, 2015, compared to a working capital deficiency of $265,456 as at December 31, 2014. As at December 31, 2015, the Company held cash and cash equivalents of $559,885 versus $205,131 as at December 31, 2014.

Mineral exploration companies continue to operate under highly stressed market conditions combined with poor venture capital markets which are influenced by a current downturn in the price of the metals.

The acquisition of the Chita property with medium-term financing, the acquisition of the 50% interest in the Minas de Pinto Trust with extended financing, the extension of the terms for exercising the purchase option for the remaining 50% up to 2019 and the rescheduled option payment on the remaining 50% beneficial interest in the Brechas Vacas Trust to 2019 have allowed the Company to maintain control of these three key properties through modest payments which are more adapted to current market conditions.

After negotiating these key agreements Minsud ´s management believes that it is in a much better position to continue with its systematic exploration approach to work on the Chita Valley Project.

In the long term, the Company is dependent on obtaining future financing for the exploration and development of its properties and for any new projects. The Company’s ability to obtain future financings may be affected by several factors including the sustainability of commodity prices, the economic recovery of worldwide capital markets and overcoming the new selective default that Argentina has recently entered into.

During the year ended December 31, 2015, the Company issued 27,904,775 Units (pursuant to two non-brokered private placements) as discussed in note 7 of the Financial Statements. Each unit consists of one common share and one warrant.

It is worth mentioning that the Company has closed six non-borkered private placements that include pricing units above the market price. Management is permanently looking for new potential investors with long term vision considering its intention of continue advancing the Chita Valley Project.

Share Capital

As at the date of this MD&A the Company´s share position consists of:

Shares outstanding	94,798,924
Options outstanding	9,135,000
Warrants	40,411,654
Put and Call Option	790,000
TOTAL	**145,135,578**

Options Outstanding

As at the date of this MD&A the following options are issued and outstanding:

Exercise Price	Options Vested	Options Unvested	Remaining Contractual Life (Years)	Expiry Date
$0.40	2,960,000	-	0.14	June 9, 2016
$0.40	225,000	-	0.52	October 26, 2016
$0.19	450,000	-	1.33	August 17, 2017
$0.10	580.000	-	2.46	October 3, 2018
$0.10	1,040,000	-	3.06	May 12, 2019
$0.10	855,000	285,000	3.59	November 20, 2019
$0.10	685,000	2,055,000	4.66	December 14, 2020
	6,795,000	2,340,000	2.47	

Warrants Outstanding

As at the date of this MD&A the following warrants are issued and outstanding:

Exercise Price	Warrants Outstanding	Remaining Contractual Life (Years)	Expiry Date
$0.35	9,617,334	0.36	August 28, 2016
$0.35	1,100,000	0.59	November 20, 2016
$0.35	9,000,000	0.97	April 9, 2017
$0.35	13,124,775	1.34	August 20, 2017
$0.35	5,780,000	1.41	September 15, 2017
$0.35	1,789,545	1.67	
	40,411,654	0.82	

Put and Call Option

Upon completion of the Minsud Transaction, the Company entered into a put and call option agreement with Compañía de Tierras Sud Argentino S.A. in connection with the 542,600 shares of MSA not acquired by the Company (representing 5% of the total number of issued and outstanding shares of MSA) which included an irrevocable covenant to not divest or encumber such shares. The put and call option agreement allows the remaining 542,600 shares of MSA to be exchanged for 790,000 common shares of the Company at the option of either party, at any time.

COMMITMENTS AND CONTINGENCIES

<u>Mineral Property Commitments</u>

A summary of the Company´s outstanding mineral property commitments, as of the date of this MD&A is as follows (all amounts are in United States Dollars):

<table>
<tr><th rowspan="3">Staggered payments</th><th rowspan="3">Year</th><th colspan="2">Options (Contingency payments)</th><th colspan="3">Property acquisition financing</th><th rowspan="3">TOTAL</th></tr>
<tr><th colspan="2">50% Brechas Vacas Trust</th><th>50% Minas de Pinto Trust</th><th>100% Chita</th><th>Subtotal</th></tr>
<tr><th>Cash</th><th>Shares</th><th colspan="3">Cash</th></tr>
<tr><td></td><td></td><td>US$</td><td>US$</td><td>US$</td><td>US$</td><td>US$</td><td>US$</td></tr>
<tr><td></td><td>2016</td><td>60,000</td><td>-</td><td>57,500</td><td>35,000</td><td>92,500</td><td>152,500</td></tr>
<tr><td></td><td>2017</td><td>110,000</td><td>60,000</td><td>75,000</td><td>70,000</td><td>145,000</td><td>255,000</td></tr>
<tr><td></td><td>2018</td><td>180,000</td><td>80,000</td><td>130,000</td><td>-</td><td>130,000</td><td>310,000</td></tr>
<tr><td></td><td>2019</td><td>100,000</td><td>40,000</td><td>-</td><td>-</td><td>-</td><td>100,000</td></tr>
<tr><td colspan="2">Total staggered payments</td><td>450,000</td><td>180,000</td><td>262,500</td><td>105,000</td><td>367,500</td><td>817,500</td></tr>
</table>

<table>
<tr><th rowspan="2">Option payments</th><th rowspan="2">Year</th><th colspan="2">50% Brechas Vacas</th><th>50% Minas de Pinto Trust</th><th>TOTAL</th></tr>
<tr><th>Cash</th><th>Shares</th><th>Cash</th><th>Cash</th></tr>
<tr><td></td><td></td><td>US$</td><td>US$</td><td>US$</td><td>US$</td></tr>
<tr><td></td><td>2019</td><td>535,000</td><td>535,000</td><td>1,335,000</td><td>1,870,000</td></tr>
<tr><td colspan="2">Total Option payments</td><td>535,000</td><td>535,000</td><td>1,335,000</td><td>1,870,000</td></tr>
</table>

<table>
<tr><td>Total payments</td><td>985,000</td><td>715,000</td><td>1,597,500</td><td>105,000</td><td>1,702,500</td><td>2,687,500</td></tr>
</table>

The financing of the acquisition of the first 50% interest in the Minas de Pinto Trust is an obligation without recourse. Accordingly, if Minsud cannot satisfy future payments, it will only result in MSA having to return its interest in the Minas de Pinto Trust back to the former owners of the Minas de Pinto properties. After paying 50 % of the required payments related to the acquisition of the first 50% interest in the Minas de Pinto Trust, the return of the interest would be proportional to any unpaid balance.

The financing of the purchase of the Chita property is without recourse against MSA. If MSA cannot satisfy future payment obligations, the purchase agreement stipulates that the Company will retain an ownership interest in the Chita property proportional to the amounts paid versus the total payments required pursuant to the purchase agreement. The purchase agreement requires the residual ownership interest that is proportional to the unpaid amounts to be transferred to the original owners of the Chita Property without any additional recourse against the Company.

Further information is disclosed in Note 6 of the Financial Statements and in the "Business Developments During the Year Ended December 31, 2015" section of this MD&A.

<u>Services agreement with the Company's President and CEO:</u>

On June 30, 2014, the Company entered into a new services agreement with its President and CEO. Pursuant to the services agreement, an annual fee of $84,000, consisting of salary and director's fees of MSA, will be paid in monthly instalments by MSA. The services agreement continues in effect until December 31, 2014 and provides that the President and CEO may pursue outside business interests or directorships in other industries that do not interfere or conflict with his ability to carry out his duties as an officer and director of the Company and MSA. The services agreement contains a change of control provision, where "change of control" is defined as: (a) the acquisition by a person, group of persons or person acting jointly or in concert, or persons associated or affiliated within the meaning of the Securities Act (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert, of more than 50% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or (b) the election at any meeting of shareholders of a majority of directors not recommended by management. If, within six months following a "change of control", employment of the President and CEO is terminated by the Company without cause, the President and CEO shall be entitled to a lump sum severance payment of $280,000 and the immediate vesting of all unvested stock options.

The President and CEO can terminate the agreement without consequence by giving 90 days previous notice to the Company and MSA. Should the Company choose to terminate the agreement without cause, the President and CEO shall be entitled to a payment of $140,000.

Effective January 1st, 2015, the Company entered into a new services agreement with its President and CEO for one year returning to the annual compensation of $ 140,000 which is equal to the agreement signed 18 months ago prior to the downsizing plan implemented by the Company.

Subsequent to the year ended December 31, 2015, the Company and its President and CEO entered into a new services agreement for an annual fee of $140,000, consisting of salary and director's fees of MSA, which will be paid in monthly instalments by MSA. The new agreement expires December 31, 2016 and contains provisions similar to those included in the services agreement that expired December 31, 2015.

Consulting agreement with the Company's Vice-President (Exploration):

On August 14, 2014, the Company and the Company's Vice-President (Exploration) signed a new semi-annual consulting agreement for a fixed monthly fee of $5,000 until December 31, 2014. The agreement does not provide for any payments in the event of a change of control or termination.

The agreement can be terminated by either party at any time by providing 60 days advance notice to the other party.

Effective January 1st, 2015, the Company entered into a new services agreement with its Vice-President (Exploration) for one for a fixed monthly fee of $ 7,000, returning to the amount of the agreement signed 18 months ago, prior to the downsizing plan implemented by the Company.

Subsequent to the year ended December 31, 2015, the Company and the Company's Vice-President (Exploration) signed a new consulting agreement for a fixed monthly of fee of $7,000 until December 31, 2016. The agreement does not provide for any payments in the event of a change of control or termination.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2015, the Company incurred the following related party transactions:

i) Transactions

a. A total of $140,000 was charged by Carlos Massa, the CEO of the Company.

c. A total salary of $94,961 was charged by Ramiro Massa, an individual related to the Company's CEO, for financial and operational management services in his role as Controller of the Company's subsidiary MSA.

c. A total of $43,181 of accounting and regulatory compliance fees and $21,000 of CFO fees were charged by Forbes Andersen LLP, an accounting firm in which Paul Andersen, the Company's CFO, is a partner.

d. A total of $84,000 of professional fees and $17,465 of exploration expenses were charged by Howard Coates, the Company's Vice-President (Exploration).

e. During the year ended December 31, 2015, the Company granted 1,940,000 stock options to key members of management. The amount of stock-based compensation expense for the year ended December 31, 2015, related to stock options granted to key members of management was $82,658.

ii) Period-end Balances

a. As at December 31, 2015, accounts payable and accrued liabilities included $6,453 payable to the CEO of the Company.

b. As at December 31, 2015, accounts payable and accrued liabilities included $3,120 payable to Forbes Andersen LLP, accounting firm in which Paul Andersen, the Company's CFO, is a partner.

c. As at December 31, 2015, accounts payable and accrued liabilities included $9,464 payable to Howard Coates, the Company's Vice-President (Exploration).

All related party transactions were in the normal course of operations and all services provided by related parties were made on terms equivalent to those that prevail with arm's length transactions.

OFF-BALANCE SHEET TRANSACTIONS

The Company currently has not entered into any off-balance sheet arrangements.

BASIS OF PRESENTATION

The Company's Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the IASB.

The Company has not yet established whether its mineral properties contain resources or reserves that are economically recoverable. The recovery of amounts capitalized as mineral properties is dependent upon the discovery of economically recoverable resources or reserves, the ability of the Company to arrange appropriate financing to complete the development of properties, and upon future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to fund its exploration programs, maintain its mineral properties concession rights and exploration agreements with purchase options, discharge its liabilities as they become due and generate positive cash flows from operations.

These financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of the business. Accordingly, these financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these financial statements.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's Consolidated Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates used in the preparation of the Consolidated Financial Statements are related to the recoverable value of the Company's mineral properties, as well as the value of stock-based compensation. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The Company records all of its property acquisition costs and direct exploration costs as an asset until the properties are placed into production, sold or abandoned, at which time the costs will either be amortized on a units-of-production basis or fully charged to operations. Management reviews the carrying value of the mineral properties for impairment or permanent declines in the value of the property, such as abandonment, and the related project balances are then written off.

Estimates related to stock-based compensation include the volatility of the Company's stock price, as well as when stock options may be exercised. The timing of exercise of stock options is out of the Company's control and depends on a various factors including the market value of the Company's shares and the financial objectives of the holders of stock options.

RISK FACTORS

The Company is engaged in exploring and developing mining projects and as such, it is exposed to a number of risks and uncertainties that affect similar companies that carry out activities in the same industry. Some of these possible risks include:

<u>Commodities Price Risk</u>

The prices of metals and minerals fluctuate widely and are affected by many factors outside of the Company's control. The prices of metals and minerals and future expectation of such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may impact the Company's ability to raise equity financing for its long term working capital requirements.

<u>Environmental Risk and Regulation</u>

The Company should comply with environmental regulations governing water and air quality as well the impact on soils and grant third parties and the government the possibility of environmental claims. Therefore, the Company seeks to operate within environmental protection standards that comply with or exceed existing legal requirements. Current and present environmental regulations could however affect the Company's operations. Likewise, environmental costs could increase in the future due to change in regulations. Exploration programs could then be postponed or banned in some areas. Although to date, environmental remediation costs are minimal, they are a component of exploration expenses.

<u>Licenses and Permits</u>

Company operations require obtaining various licenses and permits from governmental agencies. There is no certainty as to whether the company will obtain those permits and licenses required to continue its exploration and project development activities in the future.

The Company's activities are subject to a wide array of laws and provision that govern, among others, aspects such as health and safety of employees, employment standards, waste disposal, and environmental protection, protection of historic and archeological sites, mine development and preservation of endangered or protected species. Likewise, the Company should obtain a wide range of permits from governmental authorities and enforcement authorities to carry out its activities. These permits virtually refer to each aspect of the mining exploration and exploitation. Changes in some of these regulations or their interpretation could adversely affect the Company's current or future operations.

Exploration and Exploitation Business Risks

Mining exploration and exploitation involve a high-risk level. Only some properties (projects) that are explored end up turning into a productive mine. Unusual or unexpected geological formations, fires, labor claims, floods, explosions, ground movement and the impossibility of obtaining the adequate machinery, equipment or adequate workers are only some of the risks involved in the mining exploration and exploitation activities. Additionally, to establish or determine mineral and resource reserves, significant disbursements are required, such as drilling, developing metallurgic processes to extract the ore and in some properties (projects) developing accesses and mining infrastructure and production required or upgrading or modernizing the existing infrastructure and accesses. There is no certainty as to whether funds required for exploiting mineral reserves or resources discovered by the Company will be obtained in due course or at some time at all.

Mining Properties

Acquiring the title to the mining property is a very detailed and prolonged process. Title may be challenged or be subject to legal disputes. Although the Company has researched in the most diligent and fullest possible manner the title to its mining properties, there is no certainty that its title will not be disputed or challenged in the future.

Currency Risk

The Company's primary operations are located in Argentina. The Company raises funds in Canadian dollars and pays most of its Argentinean costs in United States Dollars or Argentinean Pesos, and is therefore subject to foreign exchange risk on this payment stream. As the proceeds from financings are often immediately converted to Argentinean Pesos, these cash reserves are subject to foreign exchange risk. Please also see "Recent Argentine Regulations – Foreign Currency Purchases" below for further details.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet the obligations associated with its working capital. The Company has sufficient funds to settle its short-term working capital requirements. The Company's ability to manage liquidity risk in the future will be dependent on, but not limited to, its ability to raise financing necessary to fund its exploration programs, defend its mineral properties concession rights, discharge its liabilities as they become due and generate positive cash flows from operations.

Credit Risk Management

The Company's main credit risk arises from its cash deposits with banks. The Company limits its counterparty risk on its deposits by dealing only with financial institutions with high credit ratings. The Company is also exposed to credit risk on its financial assets.

Capital Risk Management

The Company defines capital as total equity. The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs, meet its ongoing administrative costs, property maintenance and option payments.

This is achieved by the Board's review and acceptance of exploration budgets that are achievable using existing resources and the matching and timely release of the next stage of expenditures with the resources made available from private placements or other fundraising. There can be no assurance that the Company will be able to continue using equity capital in this manner.

The Company is not subject to any externally imposed capital requirements.

Additional risk factors relevant to the Company are included in the Filing Statement dated April 27, 2011 which is available under the Company's profile on www.sedar.com

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 9, Financial instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39, Financial Instruments: recognition and measurement" ("IAS 39"). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard and amendments on its consolidated financial statements.

IFRS 15, Revenue from Contracts and Customers ("IFRS 15") was issued by the IASB in May 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

RECENT ARGENTINE REGULATIONS AND IMPORTANT DEVELOPMENTS

National Framework for Doing Business:

On December 10, 2015, Mr. Mauricio Macri assumed his rols as the new President of Argentina. During the first month of his government, some important measures that the market perceived as very positive bias for the country have been put in force as follow:

(i) The release of the foreign exchange market that, in the past, was subject to many restrictions such as the import of goods and services and dividend payments amongst the main restrictions.

(ii) An Argentine Peso devaluation that had already been imposed by the market but never recognized by the past authorities, that increases the competitiveness of the country and was a measure largely demanded by the market.

(iii) The elimination of the "export taxes" particularly for the mining industry that was levied at a rate of 10% on concentrates exports and 5 % for the bullion doré.

(iv) The Argentine Congress passed a law repealing the so-called "Leyes de pago soberano" and "ley cerrojo" and, consequently, lifted the restrictions that were imposed on the government to settle with certain holdouts from the national debt restructuring process that the country initiated in 2005. It is now expected that the country may exit the "Selective default" in which it was immersed after Argentina failed to comply with a sentence dictated against the country by judge Mr. Griesa from New York. After the settlement is executed with such holdouts, it is expected that the country may return to the Global Capital Market.

Provincial (State) Mining Regulations and News:

i) Chubut Province – New mining activities regulation raised to the Provincial Legislature:

Even though Minsud's technical team believes that the areas are prospective, management is now evaluating the situation and conditions for exploring and doing business in Chubut in order to make a decision about whether to continue its efforts to retain the properties or to abandon them.

There has been a long history of back-and-forth in the Provincial discussion about whether the mining activity is welcomed or not. In the meantime, two world class mining projects are in a stand-by situation.

Management considers that, until a clear direction is adopted by the Government of Chubut, any additional investment can not be justified.

The lack of the Company's investment in the Carlos and Putrachoique areas may increase the risk of license cancellation by the Government Secretary of Mines.

The properties discussed above do not represent a material part of the Company's operations and all expenses incurred on the properties were written off in prior years.

ii) Santa Cruz Province:

During July 2013, the Government of Santa Cruz Province enacted a new tax law termed "Impuesto al Derecho de Propiedad Inmobiliaria Minera" that consists of taxing all the mining concessions granted by Santa Cruz Province that had already filed a Feasibility Study with 1% tax rate applicable directly to the reserves and resources valued to market prices payable on an annual basis.

The Company's San Antonio and La Rosita projects are in an early stage of development and, therefore, they are not included in the taxation base defined by the Santa Cruz Government.

Late in December 2015, the legislators of the province passed a law repealing this tax that was largely questioned by the mining industry.

The Company has relinquished the Santa Maria property which covered 9,979 has adjacent to the San Antonio property as it had no further plans to explore the property based on technical advise and the need to cut further expenditures in the area.

QUALIFIED PERSONS

The scientific and technical data included in this MD&A has been reviewed by Mr. Howard Coates, Professional Geoscientist, Director and Vice President (Exploration) of the Company and a geological consultant. Mr. Coates is a Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com