Management's Discussion and Analysis of the Audited Consolidated Financial Statements
For the year ended December 31, 2011

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the year ended December 31, 2011

INTRODUCTION

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Minsud Resources Corp. (the "Company") to enable a reader to assess the financial condition and results of operations of the Company for the year ended December 31, 2011.

This MD&A has been prepared as at April 25, 2012 unless otherwise indicated.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2011 (the "Financial Statements"), including the related note disclosure. The Financial Statements are presented on a consolidated basis and include the accounts of 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 98.04% 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 56 Temperance Street, Suite 200, Toronto, Ontario M5H 3V5. 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

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or other conditions, and is based on current expectations that involve a number of business risks, uncertainties and assumptions.

Factors that could cause the Company's actual results to differ materially from any forward-looking statements include, but are not limited to: delay in obtaining permits and environmental impact report approvals, failure to find an economically viable mineral deposit; the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in development of any project caused by unavailability of equipment, labour or supplies; changes to market and climatic conditions; failure to raise additional funds required to finance the completion of a project and other risk factors discussed or referred to in this MD&A and in other public disclosure documents filed with regulatory authorities.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by applicable securities laws.

CORPORATE OVERVIEW

Principal Business and Corporate History

Minsud Resources Corp. (TSX.V MSR)

The Company, formerly Rattlesnake Ventures Inc. ("Rattlesnake"), was incorporated under the *Ontario Business Corporations Act* ("OBCA") on October 11, 2007. Rattlesnake was a "Capital Pool Company" ("CPC"), as defined in Exchange Policy 2.4.

Minsud Resources Inc.

Minsud Resources Inc. ("MSR") was a private company incorporated under the OBCA on August 12, 2010.

Minsud Argentina Inc.

Upon completion of the Minsud Transaction (as defined below), MSR and 1830835 Ontario Inc. ("CPC Subco") amalgamated to form Minsud Argentina Inc. ("MAI"), the Company's wholly owned subsidiary. MSR was formed by the principals of MSA and other private placement investors in order to complete the Minsud Transaction and CPC Subco was a subsidiary of Rattlesnake. (See "Completed Qualifying Transaction and Brokered Offering" below).

Minera Sud Argentina S.A.

MSA is a private Argentinean company focused on the business of mineral and resource exploration and development in Argentina and is a party to Exploration and Purchase Option Agreements for each of the Chita, Brechas Vacas and Minas de Pinto properties and holds a claim on the Chita II properties located in the San Juan Province of Argentina as described in the independent technical report dated October 27, 2010 and amended on February 15, 2011, entitled "Technical Review on the Chita Valley Project" by Velasquez

Spring, P. Eng., of Watts, Griffis and McOuat (The “NI 43-101 Report”). This document was prepared for the Company and can be found on SEDAR at www.sedar.com.

Completed Qualifying Transaction and Brokered Offering

Pursuant to a definitive transaction agreement dated April 27, 2011, between the Company, MSR and MSA, the Company acquired all of the issued and outstanding MSR shares by way of a three cornered amalgamation, on May 10, 2011, resulting in the amalgamation of MSR and CPC Subco, to form MAI (the “Minsud Transaction” or “Qualifying Transaction”).

Although the Minsud Transaction resulted in MSR becoming a wholly-owned subsidiary of the Company, the Minsud Transaction constituted a reverse take-over of the Company such that the former shareholders of MSR, together with the subscribers of the Brokered Offering, as defined below, became owners of a majority of the outstanding shares of the Company.

Prior to the completion of the Minsud Transaction, MSR entered into a letter agreement with the shareholders of MSA, pursuant to which the shareholders of MSA exchanged, on the closing date, a sufficient amount of their shares of MSA, which amounted to a total of 10,852,000 shares, for 15,000,000 shares of MSR so that after the completion of such exchange, MSR became the owner of 10,309,400 (95%) of the total number of issued and outstanding shares of MSA (the “MSA Swap”).

Upon completion of the MSA Swap, the Company entered into a put and call option agreement with respect to the remaining 542,600 shares of MSA (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 at the same ratio used for the MSA Swap (790,000 common shares of the Company) at the option of either party, at any time.

The Minsud Transaction was completed contemporaneously with a brokered equity offering (the “Brokered Offering”). MSR received gross proceeds of $5,509,000 for the subscription of 13,772,500 units (the “Private Placement Units”). Each Private Placement Unit contained one common share and one non-transferrable common share purchase warrant (the “Warrants”) with each Warrant entitling the holder thereof to purchase one common share at $0.60 per share for a period of 24 months from the close of the Minsud Transaction.

In connection with the Brokered Offering, the Company incurred costs of $645,564, of which $207,251 was allocated to warrant issuance costs and $438,313 was allocated to common share issuance costs. The Company also issued 919,900 broker warrants to a broker (the “Broker Warrants”) with a fair value of $137,985 (included in total costs above). Each Broker Warrant entitles the holder to purchase one Private Placement Unit, as described above, for $0.40 for a period of 24 months from the close of the Minsud Transaction.

The proceeds from the Brokered Offering will be used by the Company for exploration of the MSA properties and general working capital requirements.

Transaction Costs

The Company incurred total transaction costs of $1,395,797 in connection with the Minsud Transaction. Included in this amount is $550,042 of non-cash costs related to the effect of accounting for the Minsud

Transaction and the fair value of common shares issued for services rendered in connection with the Minsud Transaction. The remainder of the transaction costs have been paid in cash.

Additional MSA Share Subscriptions

During the year ended December 31, 2011, MAI subscribed for additional shares of MSA which resulted in an increase of MAI's ownership of MSA to 27,197,400 of the 27,740,000 issued and outstanding shares. On May 16, 2011, MAI subscribed for an additional 9,148,000 common shares of MSA for consideration of $2,169,377. On December 12, 2011, MAI subscribed for an additional 7,740,000 common shares of MSA for consideration of $1,859,823. As at December 31, 2011, the common shares of MSA held by MAI represented an ownership interest of 98.04%. The remaining 542,600 shares are subject to a put and call option agreement as described previously.

Current Board Members

On May 10, 2011, the Company's Board resolved to appoint new members in order to replace certain Board members who had tendered their resignations in accordance with the terms of the Minsud Transaction. During the quarter ended December 31, 2011, a member of the Company's Board resigned and was replaced by another individual acting as an independent director.

On January 24, 2012 the Company appointed this new director as Vice-President (Exploration) and entered into a Consulting Services Agreement. On April 18, 2012, Mr. Eduardo Mendl, a new independent board member, was appointed in order to strengthen the Company's board, as well as to meet certain regulatory requirements.

As a result, the Board members as of the date of this MD&A are Carlos Alberto Massa (President and Chief Executive Officer), Diego Eduardo Perazzo (Chairman), Alberto Francisco Orcoyen, Scott White, Howard Coates and Eduardo Mendl. As at December 31, 2011, Mr. Orcoyen and Mr. Coates were independent directors and, together with Mr. White, formed the Company's audit committee. As of the date of this MD&A, Mr. Orcoyen and Mr. Mendl as independent directors, together with Mr. White, form the Company´s audit committee.

DEVELOPMENTS DURING THE YEAR ENDED DECEMBER 31, 2011

<u>I. CHITA VALLEY PROJECT</u>

A) Mining rights

The Chita Valley Project consists of four contiguous properties including the Brechas Vacas, Chita and Minas de Pinto mineral concessions (8,350 ha), as well as Chita II (4,500 ha) which is subject to a claim application that is still pending.

Management has exhaustively searched on the expedient and requested an actualization to the Title opinion issued November 30, 2010 by De Pablos & Asociados (Dr. Horacio H. Piccinini) ("the Consultant") and filed on SEDAR on May 20, 2011, as "Material document – English". This second report was issued on January 30, 2012.

The Brechas Vacas, Chita and Minas de Pinto properties are controlled by the Company through three separate Explorations and Purchase Option Agreements held by its 98.04% owned subsidiary Minera Sud

Argentina S.A. (“MSA”) as discussed in the following section of this MD&A. However, 30 ha within the boundaries of the Chita Valley Project is owned by third parties. In addition, a gap of 6.6 ha between the Chita and Brechas Vacas properties has been claimed by third parties and is currently under dispute with the local mining authority. The Company does not consider such properties held or claimed by third parties as material to its current exploration activities.

B) Exploration and Purchase Option Agreements

MSA has entered into three separate Exploration and Purchase Option Agreements:

Chita Property

On September 28, 2006, the Company, through MSA, entered into an exploration agreement including a purchase option (the "Chita Agreement") with the owners of the mining properties identified as Proyecto Chita, located 30 km from Iglesia, in the Chita Valley, in the Province of San Juan, Argentina.

Pursuant to the Chita Agreement, the owners granted to the Company the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Company's sole discretion. In addition to the exploration rights, the owners granted to the Company an irrevocable and exclusive option to purchase a 100% ownership interest in these properties pursuant to certain terms and conditions stated in the Chita Agreement.

In exchange for the right to evaluate, prospect and explore the properties, the Company shall pay to the owners a series of staggered payments totaling US$200,000 within seven years of the date of the Chita Agreement. As at December 31, 2011, the Company had paid US$130,000 ($135,563) relating to eight installments in accordance with by the Chita Agreement.

If the purchase option relating to the mining properties described above were to be exercised, the Company would be required to make a payment of US$350,000 at any time during the life of the agreement, but no later than August 31, 2014.

Pursuant to the Chita Agreement, the Company was required to spend US$30,000 and US$50,000 in the first and second years, respectively, after executing the agreement. This obligation has already been met.

Brechas Vacas Property

On September 7, 2007, the Company, through MSA, entered into an exploration agreement including a purchase option (the "Brechas Vacas Agreement") with the owners of the mining properties (the “BV Owners”) identified as Proyecto Brechas Vacas, mineral concession Luis, Luis I and Luis IV, located 35 km from Iglesia in the Chita Valley, in the Province of San Juan, Argentina.

Pursuant to the Brechas Vacas Agreement, the BV Owners granted to the Company the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Company's sole discretion. In addition to the exploration rights, the BV Owners granted to the Company an irrevocable and exclusive option to purchase a 50% ownership interest in these properties pursuant to certain terms and conditions stated in the Brechas Vacas Agreement.

In exchange for the right to evaluate, prospect and explore the properties, the Company paid to the BV Owners a series of staggered payments totaling US$240,000 ($263,568) within four years of the date of the Brechas Vacas Agreement.

Pursuant to the Brechas Vacas Agreement, the Company was required to spend a minimum of US $600,000 on the properties within three years after executing the agreement. This obligation has already been met.

On September 6, 2011, MSA exercised its option to purchase a 50% ownership interest in these properties for consideration of US$210,000 ($207,748). On December 23, 2011, ownership of the properties was transferred to the Brechas Vacas Trust (the "Trust"). MSA simultaneously acquired a 50% beneficial interest in the Trust in exchange for the consideration of US$210,000 representing its existing ownership interest in the property.

The remaining 50% beneficial interest in the Trust held by the previous BV Owners is subject to a new exclusive and irrevocable purchase option agreement (the "Option") granted in favor of MSA. The Option provides MSA with an irrevocable and exclusive right to purchase the remaining 50% beneficial interest in the Trust in addition to the exclusive right to evaluate, prospect and explore the Brechas Vacas properties.

The Option is subject to semi-annual staggered payments to the BV Owners of US$710,000 in aggregate commencing on July 4, 2012 and ending on December 9, 2016 in addition to an aggregate payment of US$220,000 to be satisfied by the issuance of an equivalent number of common shares of the Company between June 28, 2013 and December 9, 2016. The Option can be fully exercised by MSA at any time on or before June 7, 2017 (the "Expiration Date"). The Option's final exercise price is US$1,070,000 by cash payments of US$535,000 and a payment of US$535,000 to be satisfied by the issuance of an equivalent number of common shares of the Company. If MSA decides to exercise the Option before the Expiration Date, 75% of any outstanding payments, whether accrued or not, will be added to the final exercise price of the Option.

The number of common shares to be issued by the Company in connection with the payments discussed above is dependent upon the market price of the Company's shares at the time the shares are issued to the BV owners pursuant to the terms of the Option.

Once the Option is exercised and the remaining 50% of the beneficial interest in the Trust is transferred to MSA, the BV Owners will retain a 1.5% Net Smelter Return ("NSR") on the Brechas Vacas property with Minsud having the option to purchase a 0.75% NSR, at any time, for a one-time payment of US$750,000.

Minas de Pinto Property

On May 7, 2010, the Company, through MSA, entered into an exploration agreement including a purchase option (the "Minas de Pinto Agreement") with the owners of the mining properties identified under the name of Proyecto Minas de Pinto, located 30 km from Iglesia, in the Chita Valley in the Province of San Juan, Argentina.

Pursuant to the Minas de Pinto Agreement, the owners granted to the Company the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Company's sole discretion. In addition to the exploration rights, the owners granted to the Company an irrevocable and exclusive option to purchase a 100% ownership interest in these properties pursuant to certain terms and conditions stated in the Minas de Pinto Agreement.

In exchange for the right to evaluate, prospect and explore the properties, the Company shall pay to the owners a series of staggered payments totaling US$365,000 within four years of the date of the Minas de Pinto Agreement. As at December 31, 2011, the Company had paid US$ 115,000 ($117,141) related to three installments as required by the Minas de Pinto Agreement.

If the purchase option relating to the mining properties described above were to be exercised, the Company would be required to make a payment of US$1,635,000 at any time during the term of the agreement, but prior to November 7, 2014.

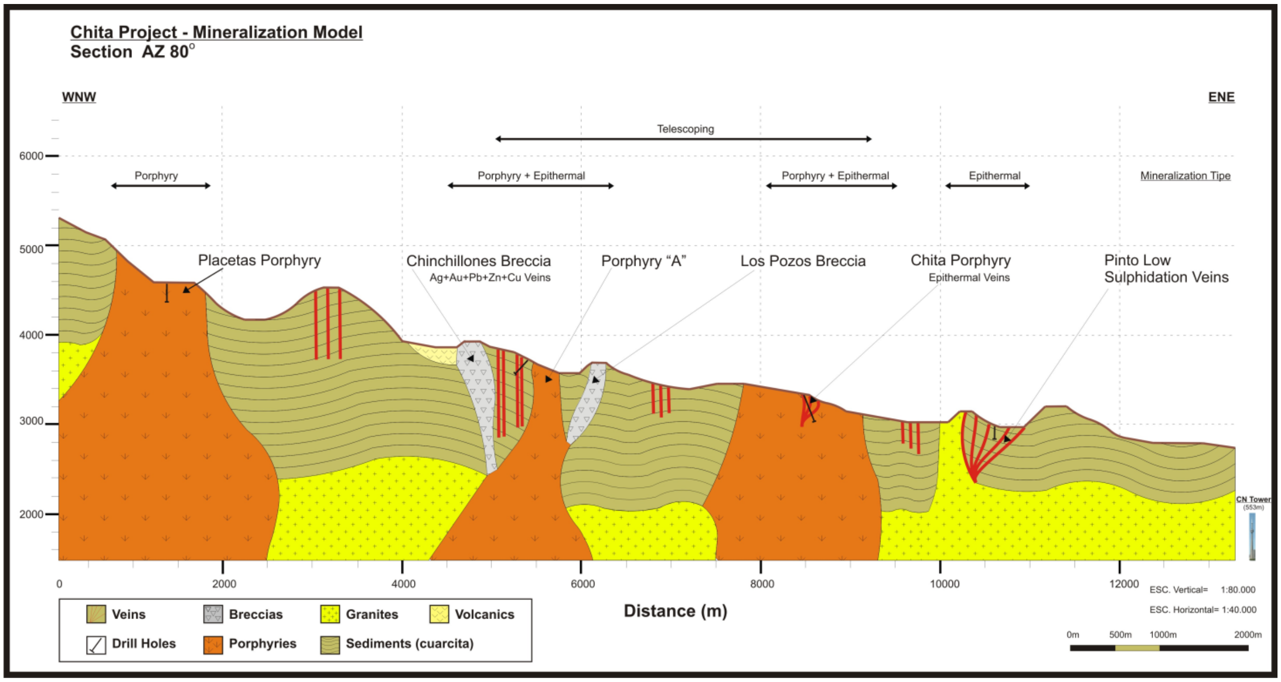
C) Geological features

The Chita Valley project is underlain by a large hydrothermal alteration system related to at least three separate porphyry intrusions; however less than 20% of the property has been systematically prospected and sampled.

The first documented exploration work started in 1968 by an Argentine government agency, the Direccion General de Fabricaciones Militares, who drilled eight shallow diamond drill holes on porphyritic monzodiorite intrusives searching for a Cu-Mo porphyry type mineralized system. Subsequently, the project was explored by Barlow Exploration (1989), Minas Argentinas (1995), Apex Silver (2006) and Rio Tinto (2008).

The Chita project is a large gold-silver-copper hydrothermal system (porphyry copper and low sulphidation epithermal system) located in the southern extension of the prolific El Indio - Veladero – Pascua- Lama belt, hosting world class gold mines such as Veladero and Pascua-Lama (Barrick) and the Del Carmen project (Malbex Resources). Extensive low grade gold-silver-copper was discovered in hydrothermal breccias and altered granodiorite, high grade gold-silver-base metals were found on epithermal veins outside/inside of the porphyry system, showing evidence of overprinting and telescoping of mineralization events. Drilling by previous groups was limited and very shallow in nature, and many targets continue untested, especially at depth. The project has been only partially explored and has excellent potential for both structurally controlled mineralization (epithermal veins) and a porphyry style copper gold system.

The following diagrammatic cross section illustrates the Chita Project mineralization model.



On May 25, 2011 the Company commenced a planned 16 hole diamond drilling program on the Chita Project.

On July 22, 2011, the Company announced the completion of 12 diamond drill holes with a cumulative length of 2,351.6 m, as described below:

1. Target Chinchillones: 915.0 m (five drill holes: ChS1101, ChS1102, ChS1103, ChS1104, ChS1105)
2. Target Romina: 1,044.6 m (five drill holes: RoW1101, RoW1102, RoW1103, Ro1104, Ro1105)
3. Target Muñoz-Dora: 81.0 m (one drill hole: DoM1101)
4. Target Porphyry Chita: 311.0 m (one drill hole: PSu1101)

A total of 2,593 samples (including blanks and standards) were sent to the Alex Stewart (Assayers) Argentina S.A. laboratory in Mendoza, Argentina for multi-element analysis. This laboratory is internationally accredited and certified to ISO 9001 and ISO/IEC 17025 standards. All of these samples were received and reported.

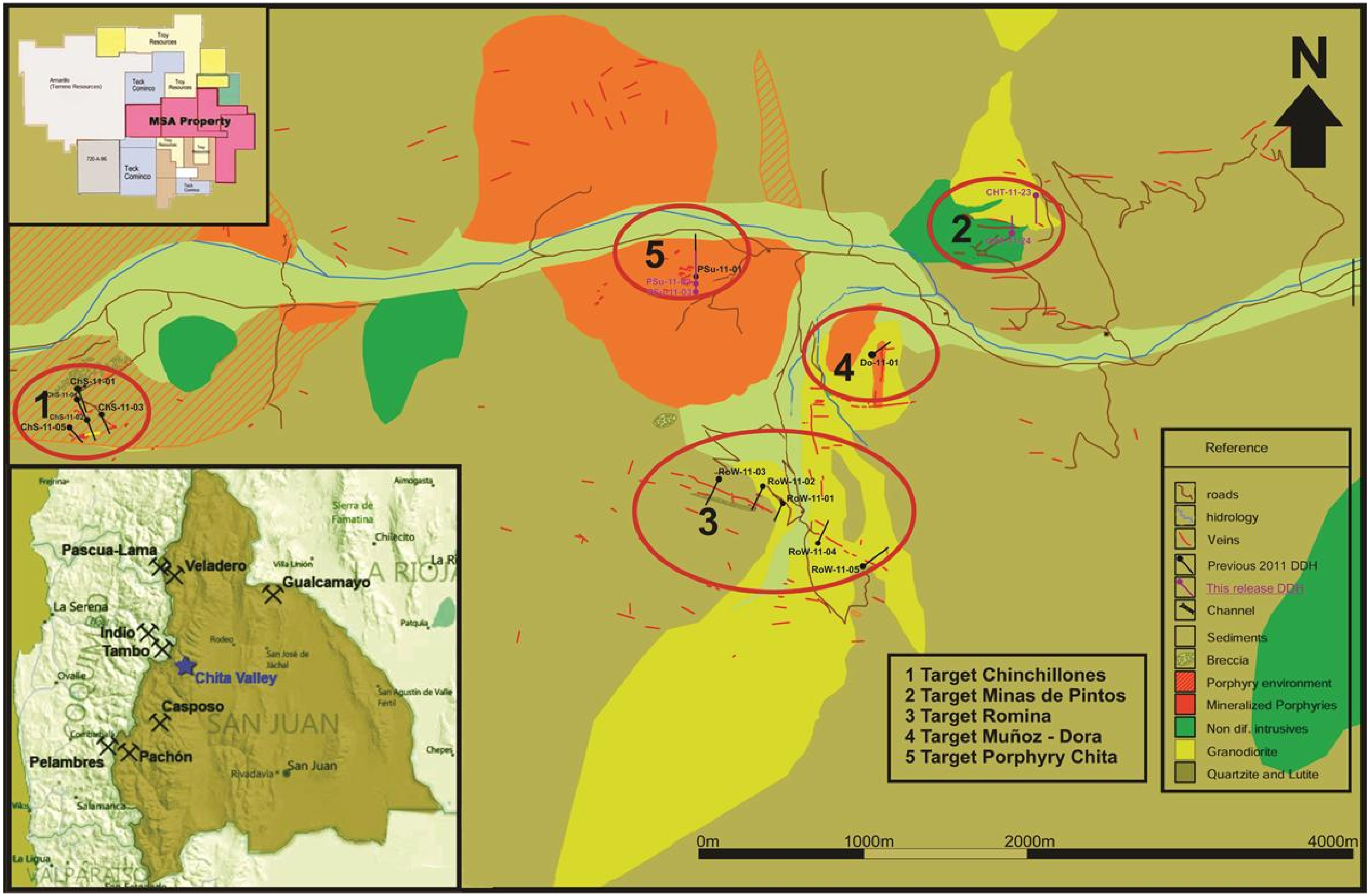
The Company has designed and implemented a quality assurance/quality control (QA/QC) program for drilling programs conducted at its Projects. Diamond drill hole samples consist of HQ (63.5 mm diameter) size core that is sawn in half by diamond-bladed core saw on site. The quality assurance-quality control (QA/QC) program consists of the insertion in every 40 samples of at least two certified standards of known gold content, one blank (samples known to consist of very low levels of gold to ensure adequate cleaning of the sample preparation equipment between samples) and two field or lab duplicates. Samples of significant drill intercepts will be sent to an additional independent laboratory to verify gold and silver analyses. The half core remaining after sampling is retained on site for verification and reference purposes.

The drilling resumed in November 2011, and the remaining 4 diamond drill holes totaling 1,008.5 m were completed as follows:

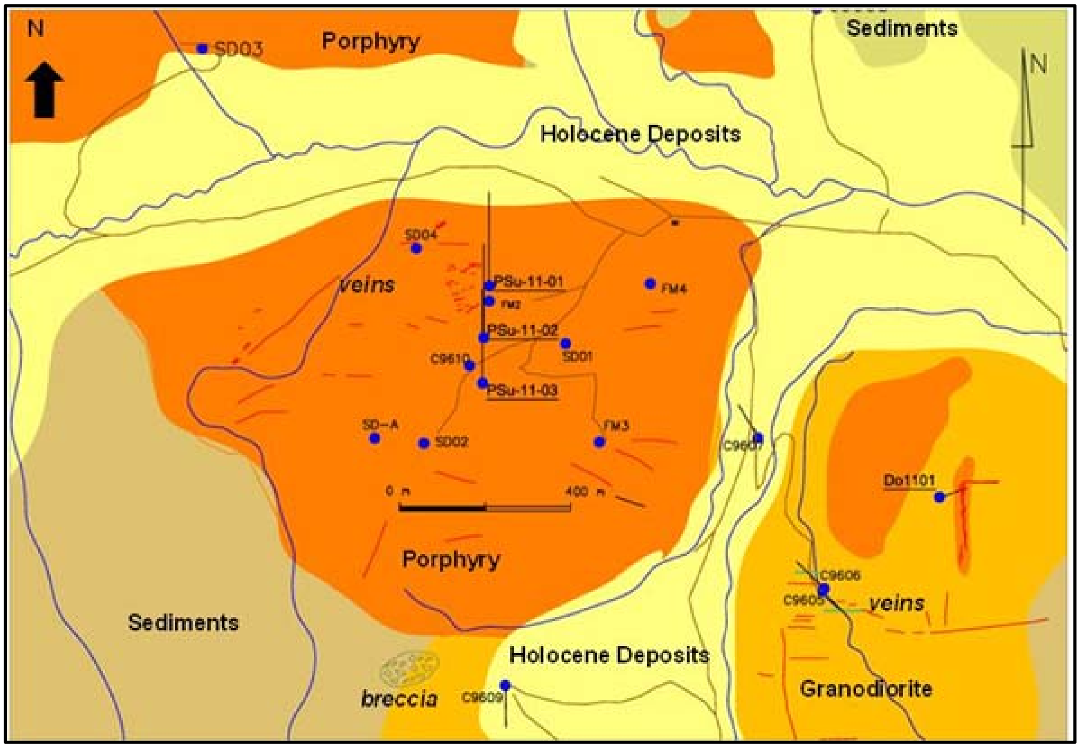
1. Target Porphyry Chita: 573.0 m (two drill holes: PSU-11-02 and PSU-11-03)
2. Target Minas de Pinto: 435.5 m (two drill holes: CHT-11-023 and CHT-11-024)

On November 25, 2011, the Company announced the completion of its Phase I drilling program (16 holes with a cumulative total of 3,360.1 m), at the Chita Valley Project.

After receiving assay results, the Company’s technical personnel will evaluate the Phase I results and recommend an ongoing work program. The following map shows the Phase 1 target areas and drill hole locations:


N
MSA Property
Troy Resources
Teck Cominco
Amarillo (Terreno Resources)
1
2
3
4
5
ChS-11-01
ChS-11-03
ChS-11-05
CHT-11-23
PSu-11-01
Do-11-01
RoW-11-03
RoW-11-02
RoW-11-01
RoW-11-04
RoW-11-05
Pascua-Lama
Veladero
Gualcamayo
La Serena
Indio
Tambo
Chita Valley
Ovalle
Casposo
SAN JUAN
Pelambres
Pachón
San Juan
LA RIOJA
Reference
roads
hidrology
Veins
Previous 2011 DDH
This release DDH
Channel
Sediments
Breccia
Porphyry environment
Mineralized Porphyries
Non dif. intrusives
Granodiorite
Quartzite and Lutite
1 Target Chinchillones
2 Target Minas de Pintos
3 Target Romina
4 Target Muñoz - Dora
5 Target Porphyry Chita
0m
1000m
2000m
4000m

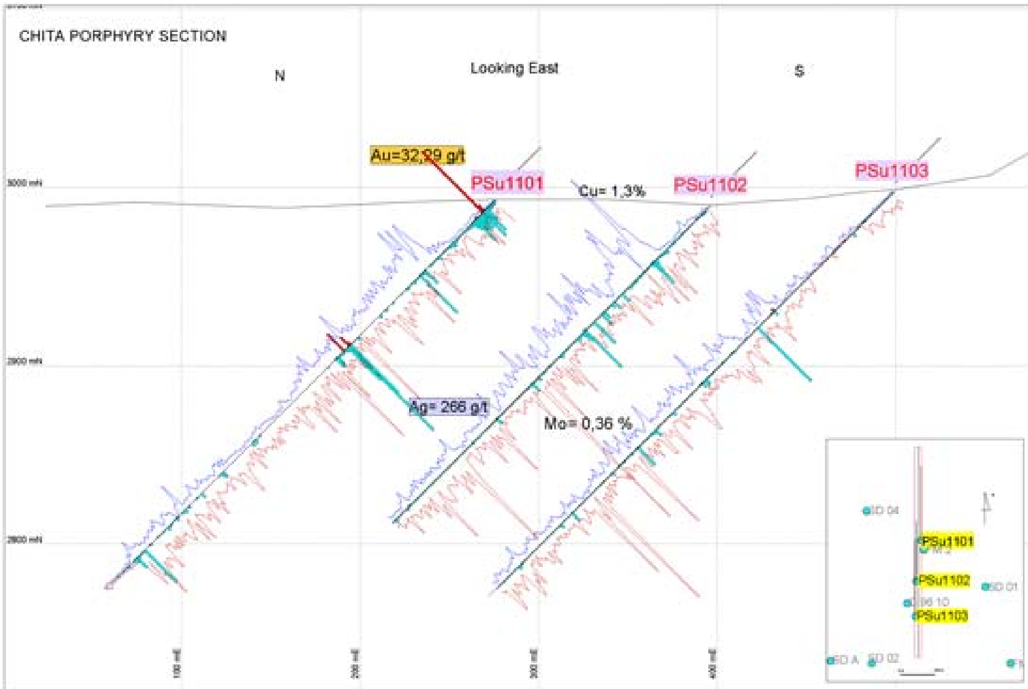
Chita Porphyry



On September 6, 2011, the Company announced the intersection of 11.33 g/t of Gold over 3.0 m (including 32.29 g/t Au over 1.0 m) in epithermal veins in drill hole PSu1101 on the Chita Copper-Molybdenum Porphyry prospect. This suggests the juxtaposition of two distinct styles of mineralization, namely Porphyry and Epithermal, within the same lithological assemblage. In addition to the precious metal bearing veins, the hole went on to penetrate a broad copper-molybdenum interval typified by stockwork-style sericite+potassic alteration zone that stops due to a post-mineralization breccia at the bottom of the drill hole. The broad porphyry-style mineralized zone averaged 0.13% Cu and 0.03% Mo over a core length of 283m, including 0.227% Cu and 0.034% Mo over 105 m.

During November 2011, the Company drilled two additional holes, PSU1102 (252 m) and PSU1103 (321 m) and a total of 636 samples including standard, blanks and duplicates were analyzed.

As part of the drilling campaign, three drill holes, Psu11-01 to 03 inclusive, were completed to further test known Cu-Mo mineralization in the Chita Porphyry area. Unlike a few historical vertical drill holes in the area, the Company´s holes were inclined at -45° to test for possible sub-vertical precious metal bearing veins that were identified in outcrop. The 2011 drilling has shown that such Ag-Au veins are locally present in the wider porphyry Cu-Mo sections and may be incrementally significant to overall mineralization quality.



The three holes all encountered broad zones of Cu-Mo mineralization with localized Ag-Au concentrations. The following table shows the general analytical results for the three drill holes including the Cu-Mo-Ag-Au weighted averages and the localized areas with elevated Ag-Au values. Significantly elevated Mo values were noted in the lower part of drill hole PSu11-03 as well.

Hole #	Intersection			Assays			
	From	To	Interval	Cu	Mo	Ag	Au
	m	m	m	%	%	g/t	g/t
PSu11-01	9.0	10.0	1.0	0.036	0.003	36.10	32.29
PSu11-01	47.0	152.0	105.0	0.227	0.034	5.25	0.09
includes	114.0	120.0	6.0	0.243	0.041	67.0	1.30
PSu11-02	40.0	72.0	32.0	0.403	0.046	3.02	0.03
includes	44.0	46.0	2.0	0.912	0.027	23.25	0.13
PSu11-02	78.0	155.0	77.0	0.248	0.032	2.90	0.02
includes	99.0	100.0	1.0	0.588	0.016	57.40	0.25
PSu11-03	96.0	237.0	141.0	0.138	0.030	1.80	0.02
includes	209.0	213.0	4.0	0.195	0.074	0.73	0.03
PSu11-03	240.0	247.0	7.0	0.058	0.093	<0.50	<0.01

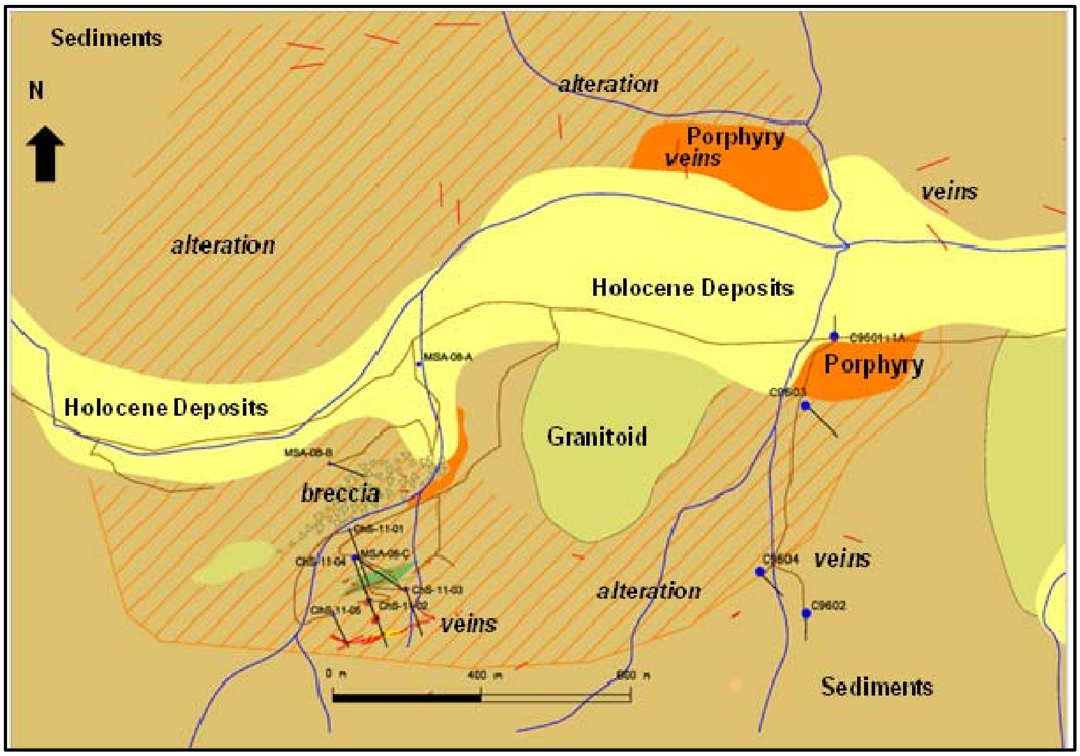
* Non true width

The mineralization is associated with a Miocene monzodiorite porphyry stock dated at 12 Ma intruded into an earlier assemblage comprising Triassic granodiorite and Carboniferous sediments. The porphyry style mineralization consists of disseminations, fracture fillings and stockwork type quartz-chalcopyrite-pyrite-molybdenite mineralization. The country rocks adjacent to the Chita South Porphyry and other porphyry stocks and dykes on the Property commonly contain widespread polymetallic veins that are locally enriched in gold and silver. Both porphyry and country rocks exhibit an array of hydrothermal/epithermal alteration features.

Detailed geological and alteration studies, as well as extensive prospecting and rock sampling are currently being undertaken by the Company. It is anticipated that ground geophysical surveying, in particular magnetic and Induced Polarization/resistivity surveys, will be required to effectively define further drilling targets.

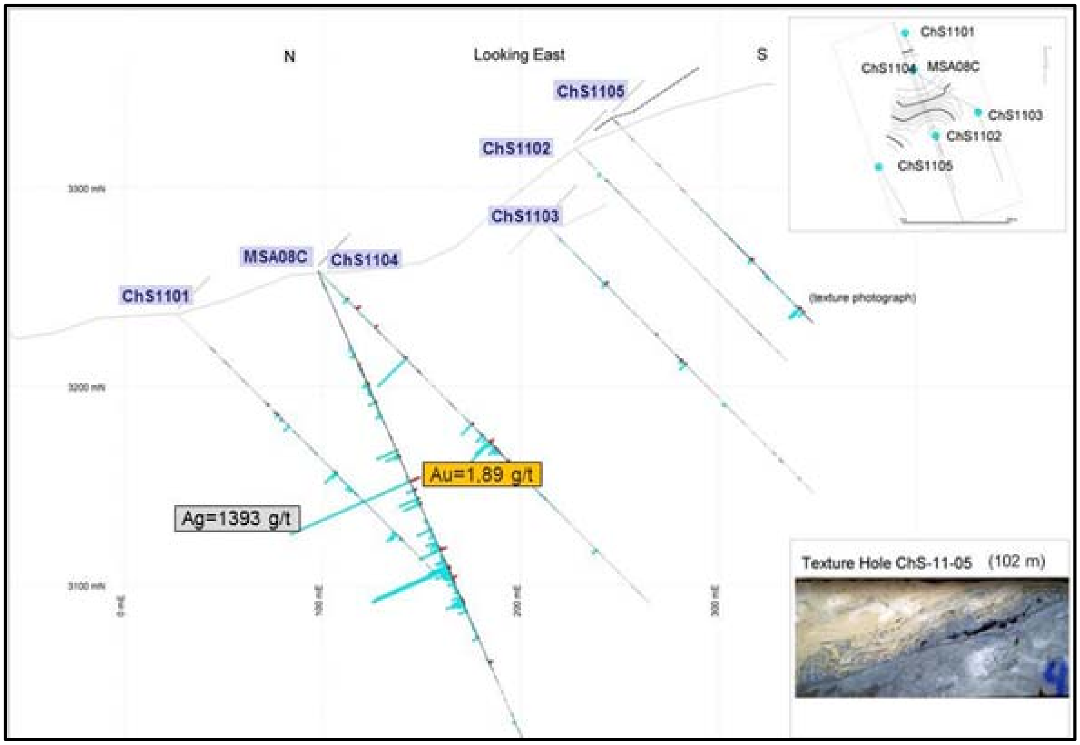
Chinchillones (Silver (±Au) and base metals mineralized corridor)

The Chinchillones target is a 300m x 30m mineralized corridor with Ag + Au bearing polymetallic veins hosted in upper Carboniferous sandstones and shales.



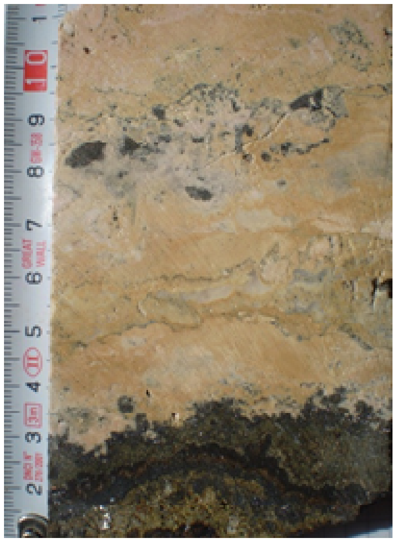
This target also includes the Breccia Chinchillones Complex, an 800 m section with widespread hydrothermal/epithermal brecciation features.

The Chinchillones target is silver (±Au) and base metals mineralized corridor (system of sheeted veins) striking NE hosted in Upper Carboniferous sandstones and shales. Within the northernmost part of the corridor drill hole ChS1104 intercepted 72.0 g/t silver and 0.23 g/t gold over 13.0 m and 393.0 g/t silver and 0.44 g/t gold over 1 m confirming the continuity up to 220 m depth of a mineralized section previously found by surface trenching and drill hole MSA08C over an area of 300 m long by 30 m wide. The veins are composed of crystalline, vuggy quartz often with coxcomb structures infilled with sulphides and in some cases the vein structures are wider than 10 m with the individual veins three to four cm wide (locally up to 80 cm). Those thin veins were intersected in Chs1101 grading 105.0 g/t Ag, 0.18 g/t Au, 1.34 % Cu, 0.34% Pb, 1.56% Zn over 2 m, Ch1103 intersected 79.0 g/t Ag, 0.31 g/t Au, 0.13 % Cu, 6.71 % Pb, 20.45% Zn over 1 meter and CHS1105 intersected 136.0 g/t Ag, 0.40 g/t Au, 2.07 % Pb, 6.96 % Zn over 2 m.



Sample taken at 135 m. CHS11-05 is a geothermal vein typical of a Low sulphidation system.

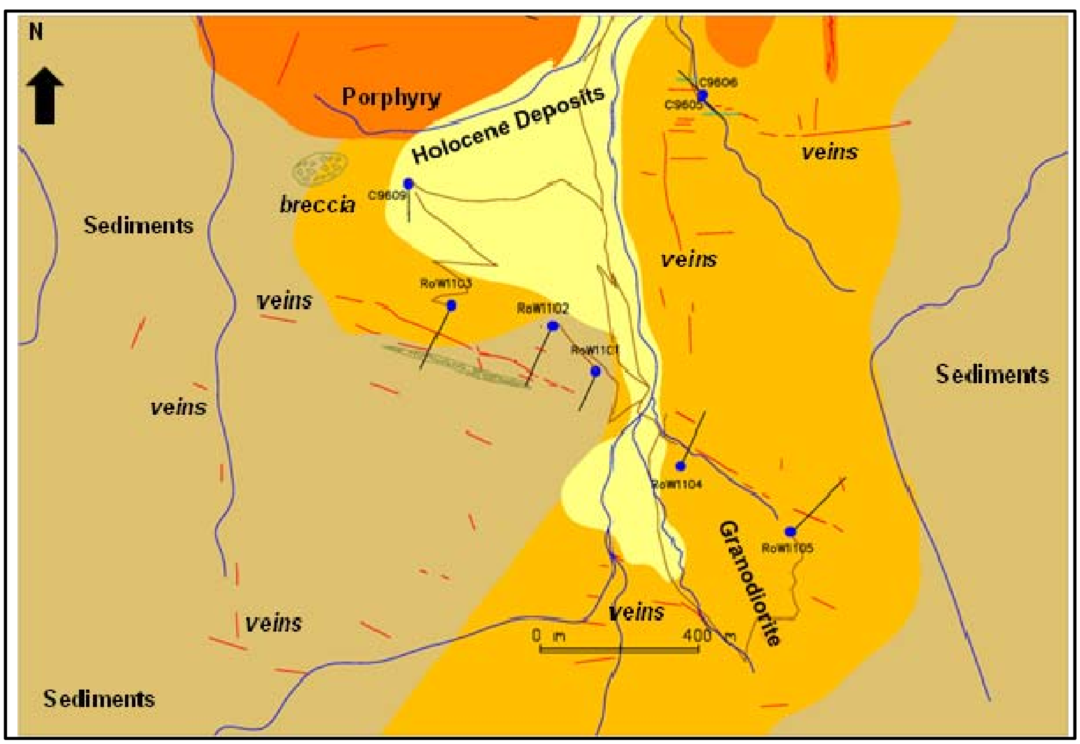
DDH ChS1105 at 102 m depth: Coxcomb and dog tooth crystalline silica; quartz-adularia-sericite-chalcedonic alteration; low sulphidation colloform-crustiform silica textures.



DDH ChS1105 at 135 m depth: crustiform-colloform textured Adularia-sericite-chalcedonic-opaline silica with sulphide veinlets.

<u>Romina Vein (mineralized corridor silver, gold and copper rich veins)</u>

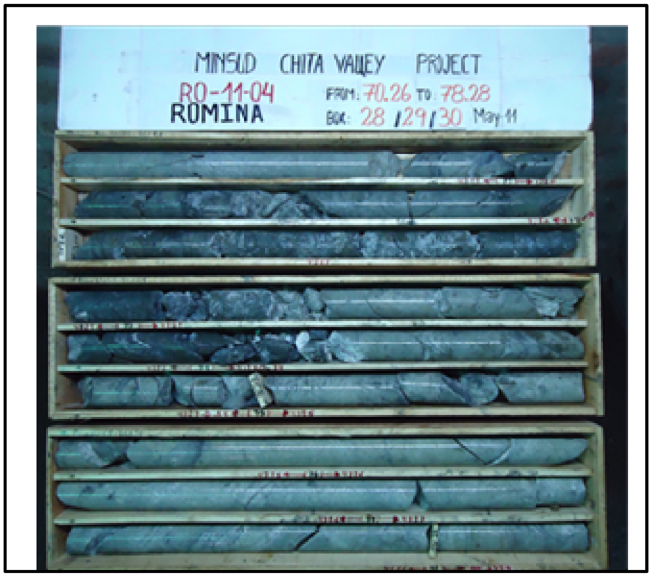
Romina Vein is located south of the Chita Porphyry and it has been traced for 1,500 m. This vein intrudes a highly altered area known as Pajaro Loco, an area of altered granodiorite, measuring approximately 500 m x 200 m, containing disseminated sulphide mineralization and polymetallic veins. Historical small-scale mining activities had been performed in this zone.



The Company completed five drill holes approximately 200 m apart along the 1,500 m strike length of the Romina system. All holes intersected Ag-Au +/- base metal mineralization as shown in the following table. The best intersection to date is from Ro1104 with 4.0 m @ 101 g/t silver, 0.83 g/t gold, and 3.20% copper hosted in altered granodiorite.

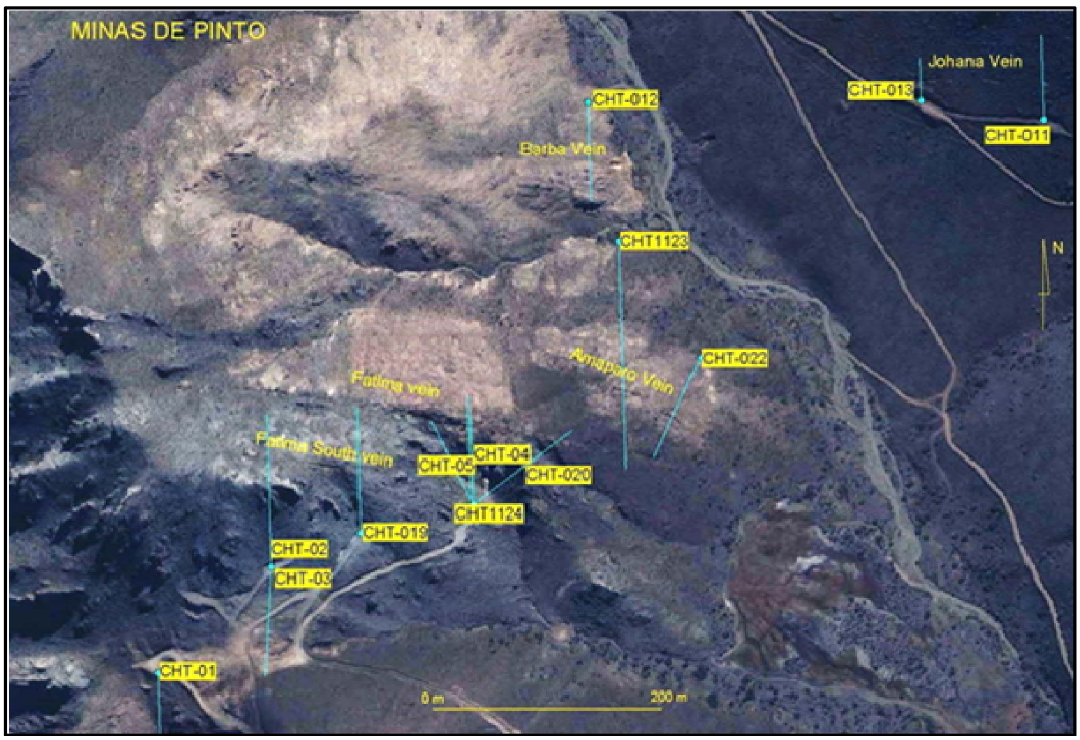
Hole ID	From (m)	To (m)	*Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)
RoW1101	131.0	133.0	2.0	0.20	42.00	1.70
	154.0	155.0	1.0	0.21	102.00	2.90
RoW1102	2.0	3.0	1.0	0.05	62.00	
	18.0	19.0	1.0	0.42	1.00	
	81.0	83.0	2.0	0.34	22.00	0.50
	225.0	226.0	1.0	0.66		
RoW1103	35.0	36.0	1.0	1.07		
	162.0	163.0	1.0	1.17	66.00	1.20
Ro1104	71.0	75.0	4.0	0.83	101.00	3.20
	150.0	158.0	8.0	0.45	2.00	
Including	156.0	158.0	2.0	1.19	6.00	
Ro1105	7.0	8.0	1.0	1.16	5.90	
	30.0	31.0	1.0	1.29	10.60	
	36.0	37.0	1.0	2.43	35.50	
	105.0	107.0	2.0	0.40	54.00	
	203.0	204.0	1.0	2.91	14.00	

* Non true width

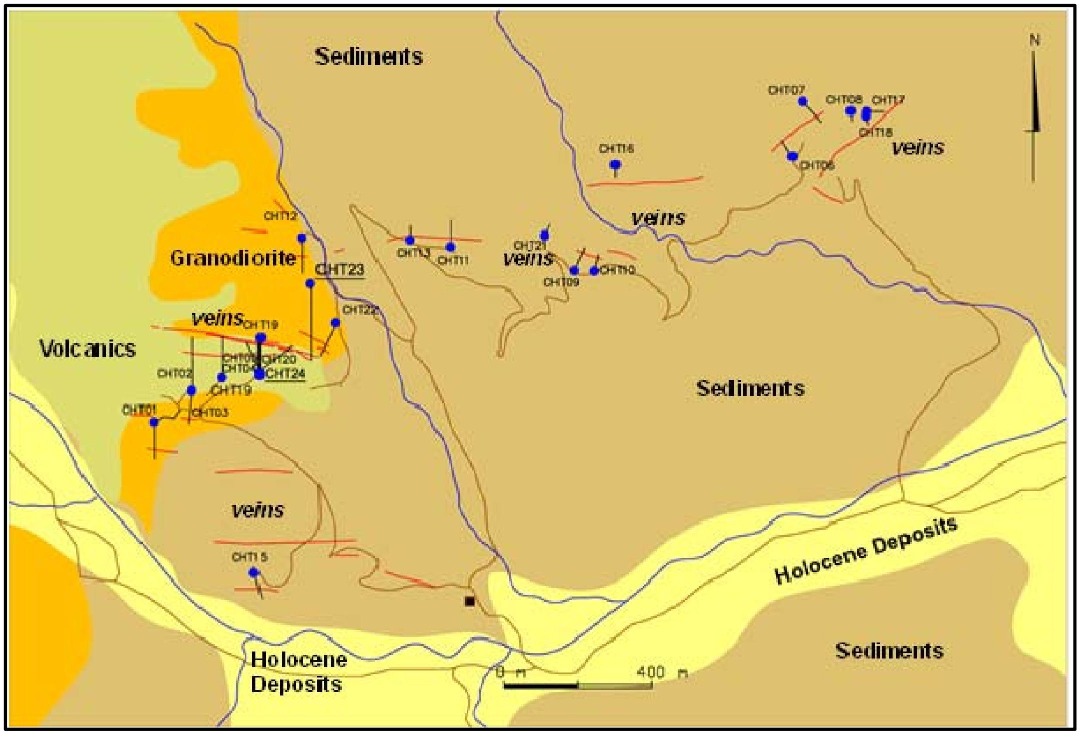


Minas de Pinto

During November 2011, the Company drilled two holes, CHT1123 (285 m) and CHT1124 (150 m) and a total of 484 samples including standard, blanks and duplicates were analyzed.



The two drill holes were completed to further test known Au-Ag bearing polymetallic vein-style mineralization in the Fatima Vein system prospect area. The Minas de Pinto sector is a corridor of widespread localized Au-Ag mineralization that has been traced for 4.0 kilometers along strike.



The Minas de Pinto corridor contains artisanal diggings of unknown age and an early 20th Century exploration adit. A TSX Venture Exchange listed company optioned the Minas de Pinto Property in the mid-2000's, completing extensive surface channel sampling and in 2008 drilled 22 diamond drill holes totaling 2,631.25 meters. The full data set pertaining to latter work including analytical certificates and remaining drill core was turned over to the property owner upon termination of the option agreement. The 2011 Minsud drill holes were designed to test the earlier results, with CHT11-24 being a twinned hole of previous hole CHT-004.

The 2008 historical drilling results are not all currently in the public domain. In order to discuss the verification aspects of the Company's 2011 holes it is necessary to provide a basic outline of the historical results for comparison purposes. It is noted that in 2010, the Company retained Toronto-based consulting firm Watts, Griffis and McOuat ("WGM") to complete a NI 43-101 report for TSX Venture Exchange listing purposes, and as part of this exercise, conducted independent sampling of selected 2008 core sections.

The following table shows the assay results of the Fatima Vein and related vein margin silica alteration zone for infill hole CHT-11-23 and twinned hole CHT-11-24 (CHT-004). A previously unknown zone of silicified and polymetallic sulphide mineralized tonalite porphyry was also encountered in hole CHT-11-23.

In addition, selected results of other 2008 historical holes are presented to illustrate the general nature of the mineralization. It is noted that there is wide variation in gold and silver values within, and between, mineralized sections that is indicative of 'nugget effect' which is a ubiquitous characteristic of the great majority of auriferous vein type deposits. This is clearly illustrated in the twinned holes where the Fatima Vein intersections are probably separated by only a few meters but the values are very different. It is also clear that the widely scattered holes indicate a variety of narrow or broader mineralized sections that require additional exploration.

Prospect	Drill Hole	Drill hole intersection			Assay		Comments
		from (m)	to (m)	length (m)	Au (g/t)	Ag (g/t)	
Porphyry w. sulphidation	CHT-11-23	23.00	35.00	12.00	0.20	24.30	2011 Minsud Drill Hole
Fatima Vein	CHT-11-23	250.00	251.00	1.00	0.34	4.10	2011 Minsud Drill Hole
Fatima Zone (Twin CHT-04)	CHT-11-24	73.00	76.00	3.00	0.31	19.20	2011 Minsud Drill Hole
(includes vein)		73.00	75.00	2.00	0.47	14.40	
Fatima Zone	CHT-004	77.72	82.50	4.78	3.73	31.00	Includes WGM check assays
(includes vein)		78.20	79.80	1.60	10.58	88.33	Includes WGM check assays
Fatima Zone	CHT-005	90.00	94.00	4.00	0.63	32.10	
(includes vein)		91.70	93.20	1.50	1.48	83.83	
Fatima Zone	CHT-019	133.50	139.00	5.50	0.63	25.44	Includes WGM check assays
Fatima Zone	CHT-020	87.00	99.00	12.00	0.29	97.76	
Fatima South Zone	CHT-002	169.00	171.50	2.50	6.42	4.43	
Fatima South Zone	CHT-005	13.00	18.80	5.80	0.42	3.86	
Fatima South Zone	CHT-019	53.00	66.20	13.20	2.38	4.08	
Fatima South Zone	CHT-020	15.60	17.40	1.80	2.71	51.61	
Candella	CHT-006	69.00	73.00	4.00	2.18	63.24	
Candella	CHT-008	23.80	25.75	1.95	0.79	58.04	
Argentina	CHT-010	72.00	76.70	4.70	1.21	92.06	
Johana	CHT-012	129.50	130.50	1.00	4.43	738.00	
Johana	CHT-013	40.50	47.00	6.50	5.02	16.96	Includes WGM check assays
Candella	CHT-018	28.50	45.00	16.50	1.31	28.63	Includes WGM check assays

* Intersection averages revised to include independent field duplicate split core assays.

Detailed geological and alteration studies as well as extensive prospecting and rock sampling are currently being undertaken by the Company. It is anticipated that ground geophysical surveying, in particular magnetic and Induced Polarization/resistivity surveys will be required to effectively define further drilling targets.

D) Phase 1 Drilling program main conclusion and results

Chita Porphyry: (Cu-Mo-Ag-Au).

Phase 1 drilling confirmed Cu- Mo- Au porphyry style mineralization together with sometimes superimposed epithermal alteration features and Au – Ag polymetallic veins.

Chinchillones: (Ag-Au-Base Metals).

The Chinchillones target is a 300m x 30m mineralized corridor with Ag + Au bearing polymetallic veins hosted in upper Carboniferous sandstones and shales.

Drilling and trenching has encountered widespread polymetallic vein mineralization. Best drilling intersections to date are from recent hole CHS11-04 where a 13 m core length averages 72 g/t Ag, 0.23 g/t Au and 0.32% Cu and a previous hole, MSA2008–C, with 15 m @ 120 g/t Ag; 0.27 g/t Au and 0.33% Cu.

Romina Vein System: (Au-Ag-Cu).

The Company completed five drill holes in 2011. All holes encountered Ag-Au+/-Cu mineralized veins. Best intersection drill hole Ro11-04 intersected a 4 m core length averaging 0.83 g/t Au; 101 g/t Ag and 3.2% Cu.

Fatima Vein System: (Au-Ag-Base Metals).

In 2011 the Company completed two drill holes, CHT11-23 and CHT11-24 to further test known Au-Ag bearing polymetallic vein-style mineralization. Ground geophysical surveying, in particular magnetic and Induced Polarization/resistivity surveys are planned to define further drilling targets.

Future field works plan:

Before defining the Phase 2 drilling program the Company will complete the following field works:

- 40 km^2 ground magnetic survey, with infill as required
- Ongoing detailed geological mapping and sampling.
- Surface trenching as required.
- IP-Resistivity surveying on selected areas.
- Provisional 3,000 m diamond drilling as Phase 2 drilling program.

II. DESEADO MASSIF – SANTA CRUZ PROVINCE – REPUBLICA ARGENTINA

Properties location

The Company's La Rosita and San Antonio properties are located in the heart of the Deseado Massif precious metals mining district, Santa Cruz Province. The Deseado Massif has four producing mines: Cerro Vanguardia Mine (AngloGold – Fomicruz), San Jose – Huevos Verdes Mine (Hochschild – Minera Andes), Martha Mine (Coeur d'Alene) and Manantial Espejo Mine (Pan American Silver) as well as several additional projects at the advanced exploration to feasibility study stage, most notably Cerro Negro (Goldcorp).

II.a. LA ROSITA PROJECT

A) Mining rights

The La Rosita project is 100% owned by MSA. An exploration claim (Cateo), file # C409.392-MSA-06 (9,970 hectares), was granted through resolution # 126 issued by the Mining Authority (Dirección Provincial de Minería) of the Province of Santa Cruz dated May 16, 2008, (the "La Rosita Property").
On February 1, 2011 the Environmental Impact Report ("EIR") (Informe de Impacto Ambiental de Exploración) was filed on 426.125/MSA/11 and approved through resolution # 077 dated May 2, 2011. An extended EIR for trenching and drilling was requested on November 3, 2011 and approved through Resolution 282 of Secretary of Mines – Santa Cruz Province, ("the relevant authority").

On September 27, 2011, MSA and the Lafeuillade and Rocha families (La Rosita ranch landowners) entered into a permit agreement in order for the Company to continue with the prospecting and exploration activities in La Rosita prospect. Such agreement was filed on October 12, 2011, in the correspondent expedient.

The La Rosita exploration claim expired November 29, 2011. Prior to the expiration date, and in accordance with the required legal procedure, the Company requested within the claim concession area, three mining claims (Manifestaciones de descubrimiento) named Alfa, Alfa II and Alfa III covering 9,970 has.

The three mining claims are still pending for concession from the relevant mining authorities.

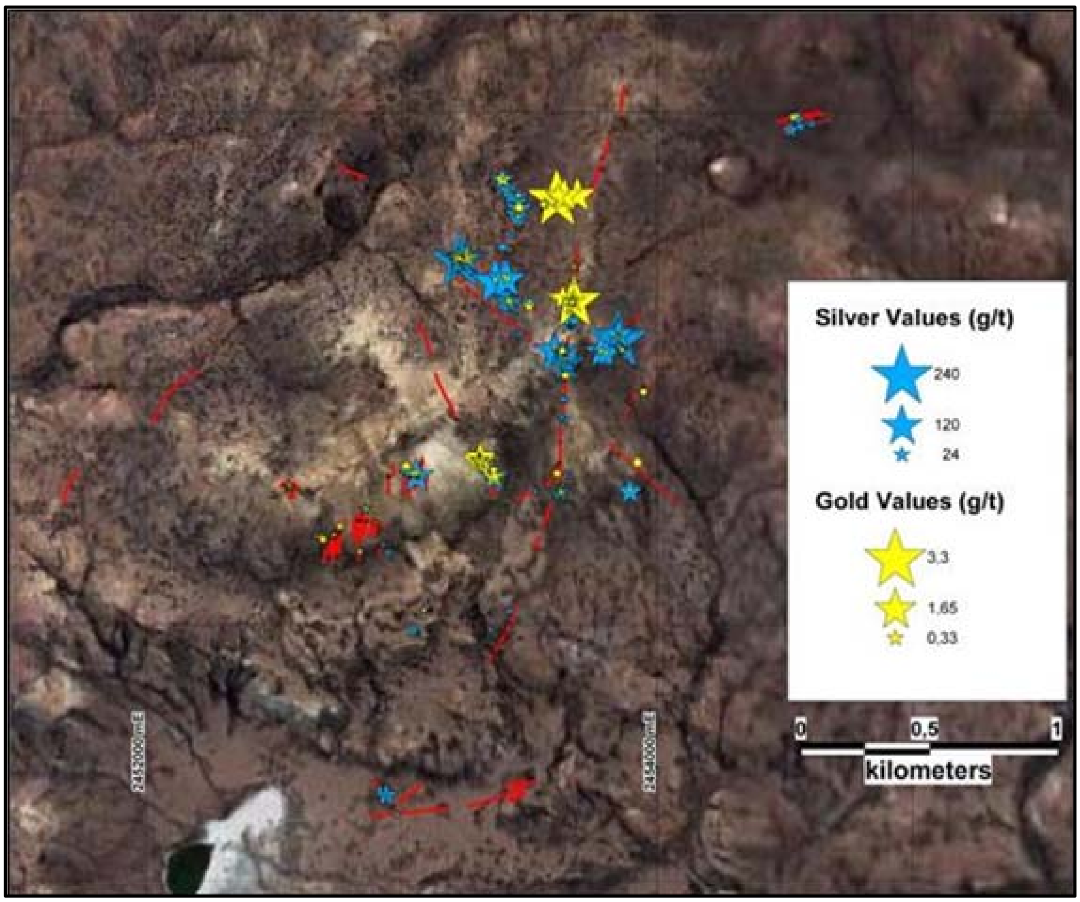
B) Technical information

The La Rosita property is located in the heart of the Deseado Massif precious metals mining district about 70 km northeast of the town of Gobernador Gregores, Santa Cruz Province. It is just 10 km northeast of the Martha Mine and 30 km from the Manantial Espejo Mine.

The Company has already reported that it has received very encouraging results from initial geological mapping, prospecting and ground magnetometer surveying activities over a part of the Property.

The recent work in the Los Mogotes Hill sector of the Property has identified the presence of volcanic lithologies and alteration phenomena that are characteristic of typical low-sulphidation epithermal Au-Ag deposit areas.

Traditional 'boot and hammer' prospecting has located widespread mineralized outcrops and float that have returned grab sample values up to 3.2 grams of gold , 234 grams of silver and 6.1 % lead per ton. It is stressed that Los Mogotes Hill is a new prospect that has never before been tested by drilling or even surface trenching.



Over the 2011 field season, the Company completed a modest exploration program in the Los Mogotes Hill sector, which included detailed lithological, alteration and structural mapping, bedrock and float sampling (452), and a 320.3 line kilometer ground magnetometer survey. The object was to delineate and prioritize prospective targets on the property. Instead of reducing the main areas of focus this work actually expanded the areas of potential interest to encompass over 10 square km of prime exploration territory.

Felices Pascuas – Hydrothermal Breccias **Mogote Hill**

C) Upcoming field work

The next steps in the systematic multidisciplinary exploration of the property include:

- Completion of the first phase reconnaissance program: The main aspect of this is a previously budgeted surface trenching program in the Los Mogotes Hill sector. Additional reconnaissance work will be conducted over the remaining parts of the La Rosita Property as time permits on an ongoing basis.
- Phase two target definition program: Utilized in conjunction with surface geological, geochemical and basic routine geophysical (magnetic) data, sophisticated induced polarization/resistivity ("IP") surveys have been instrumental in effectively defining drill targets elsewhere in the Deseado Massif. The Company intends to complement its surface geoscientific data by completing an IP test survey followed by a production survey (if warranted) in the Los Mogotes Hill sector to optimize definition of drill targets. A provisional budget is in place for selective drilling to test high priority targets.

The current proposed program is scheduled to be completed in the first half of 2012.

II.b. SAN ANTONIO PROJECT

A) Mining rights

The San Antonio exploration claim (Cateo), file # C409.393-MSA-06 (7,990 hectares), was granted by the Mining Authority (Secretaría de Minería) of the Province of Santa Cruz on May 16, 2008 (the "San Antonio Property").

On March 30, 2011, The Environmental Impact Report (EIR) (Informe de Impacto Ambiental de Exploración) including mining claims San Antonio I, II and III and Santa María exploration claim, was filed under expedient #412.852/MSA/06 and later on approved through resolution # 140 dated June 21, 2011, by the relevant authority.

On December 5, 2011, Mr. Pedro Garcia (San Antonio ranch landowner) granted to MSA a permit to enter and stay in his property, in order for the Company to continue with the prospecting activities in the San Antonio prospect. Such permit was filed on February 1, 2012, into the correspondent expedient.

The San Antonio exploration claim expired March 13, 2011. Prior to the expiration date, and in accordance with the required legal procedure, the Company requested within the claim concession area, three mining claims (Manifestaciones de descubrimiento) named San Antonio I, II and III covering 7,990 ha.

The three mining claims are still pending for concession from the relevant mining authorities.

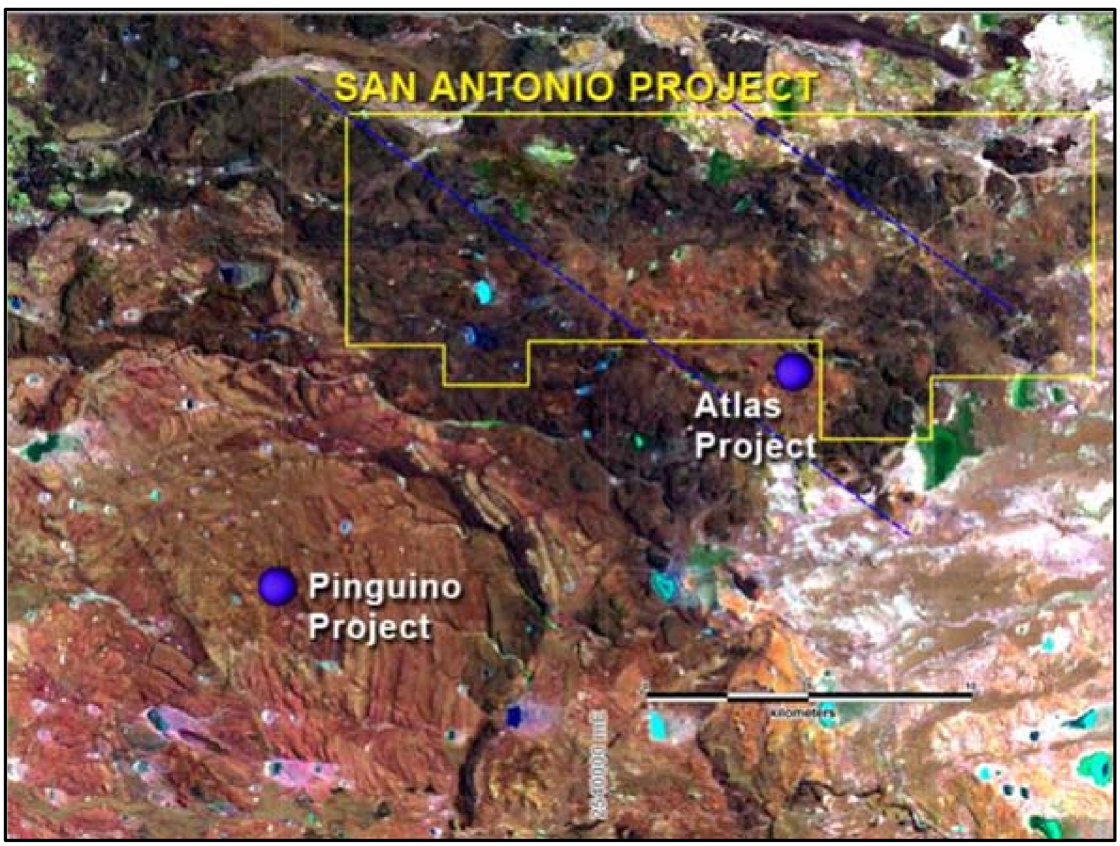
In order to secure the area of interest, MSA has requested under file # 415.195-MSA-07 a new exploration claim identified as Santa María (10,000 hectares), located northward of the San Antonio Property. The Santa Maria exploration claim was recorded in the Cadastre Office of the Mining Authority (Informe de Registro Gráfico) on May 23, 2007. On March 7, 2008, the claim was recorded in the name of MSA, but it is still pending for concession from the relevant mining authorities.

The approved and pending filings with respect to the property represent control by MSA of approximately 17,990 ha.

B) Technical information

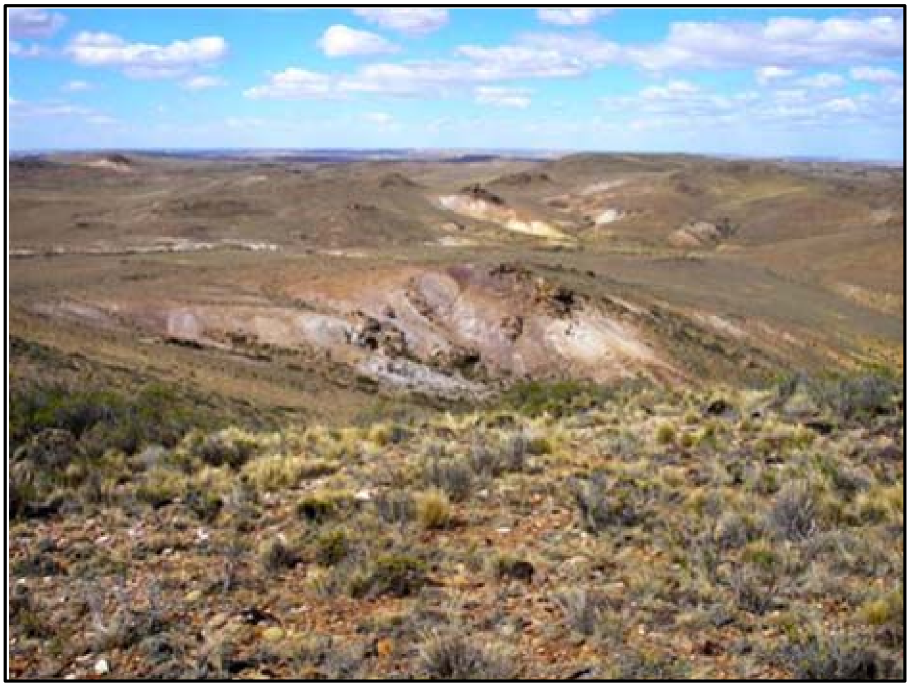
San Antonio is a project owned 100% by the Company, located within Deseado Massif now an Area of Special Mining Interest at Santa Cruz Province.

It is located half way between the city of Gobernador Gregores and Pico Truncado, Santa Cruz province, 60 km from Cerro Vanguardia (Anglogold –Ashanti), 5 kms from the Pinguino Project (Argentex) and adjacent to the Atlas Property (Colque Exploration).



Access to the property is easy and the climatic and physiographic conditions are excellent. The project is readily workable during all seasons.

The geological model is a typical epithermal system with clear geothermal features characterizing a "hot spring" hosted by the Chon-Aike formation (Jurassic age).



Initial prospecting samples assayed up to 0.5 g/t Au, plus significant anomalous values for pathfinder elements such as As (1,011 ppm), Hg (20,700 ppm), and Mn (1,472 ppm).

MSA plans to continue exploring the property, particularly the three geophysical targets already identified: (i) distal conductive NW trend (4,5 km x 700m), following the same strike as Vanguardia (ii) Resistivity body ; and (iii) Potential "feeder" at depth.

Circular structures that may indicate a volcanic centre, with associated resistive and conductive geophysical signatures are high priority areas for initial prospecting. All geological features point to a still intact system that has not been eroded.

Other Mining Properties

Río Negro Province

The Company has recently become aware of and is pleased with the revocation of the anti-mining laws formerly existing in the Province of Río Negro where we maintain the Calqui project surrounded by the mining properties that compose the gold project known as Calcatreu, owned by Pan American Silver, with 1 million gold ounces of estimated resources. We understand that as our Calqui project has now become an exploration area, we will rapidly try to take value enhancement actions aimed at resuming field work.

Chubut Province

The Company is observing progress in the Chubut Province where the Secretary of Mining submitted a report dated March 2011 aimed at providing a framework to certain areas which might be released from existing restrictions that prevent exploration activity . We note that the central plateau area or Gastre Fault, where we have our Carlos exploration claim and mining claims, would be within the regions most favored by the proposal, in part affected by a 2 km-buffer reserved due to the proximity to the Chubut River. We hope the Province will soon take a decision regarding this report and provide a more appropriate legal framework for the development of our activity for which it offers exploration potential.

New Business Opportunities

Although no transactions are in progress currently, the Company will continue looking for growth through new project generation and selected acquisitions as well as project financing either by the way of joint venture partners or new access to capital markets.

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. The following selected financial data presented for the comparative years ended December 31, 2010 and 2009 are derived from the audited financial statements of MSA.

	As at and for the Year Ended December 31, 2011 ($)	As at and for the Year Ended December 31, 2010 ($)	As at and for the Year Ended December 31, 2009 ($)
Other Income	11,302	10,236	1,277
Net loss for the period	(2,343,210)	(229,877)	(228,996)
Comprehensive loss for the period	(2,465,473)	(399,917)	(634,799)
Assets	6,592,830	2,004,394	1,574,629
Liabilities	302,265	43,744	21,439
Working Capital	2,260,363	145,114	281,551
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	7,972,902	3,470,805	2,720,271
Shareholders' Equity	6,290,565	1,960,650	1,553,190

PROJECT EXPENDITURES

Project expenditures for the year ended December 31, 2011 are as follows:

Twelve months ended December 31, 2011	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs **(a)**	210,422	44,664	78,430	194	190	8,172	342,072
Drilling	198,717	404,431	100,223	NIL	NIL	NIL	703,371
Project Management	141,890	231,754	83,159	46,307	104,409	10	607,529
Road Construction	50,119	54,271	27,253	NIL	NIL	NIL	131,643
Professional Fees	64,397	61,083	24,013	11,745	15,708	NIL	176,946
Topography	NIL	2,623	NIL	NIL	NIL	NIL	2,623
Travel and Lodging	25,526	48,233	11,586	6,475	37,318	NIL	129,138
Sampling	25,960	49,379	1,091	NIL	10,429	NIL	86,859
Geophysics	NIL	NIL	NIL	NIL	32,777	NIL	32,777
VAT Paid	65,916	105,533	29,561	1,179	13,666	NIL	215,855
Current Expenditures	**782,947**	**1,001,971**	**355,316**	**65,900**	**214,497**	**8,182**	**2,428,813**
Write-offs	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Currency Translation Adjustment	(53,139)	(25,288)	(9,157)	(9,576)	(6,682)	(412)	(104,254)
Balance – beginning of period	**930,080**	**330,558**	**63,697**	**145,873**	**98,496**	**7,019**	**1,575,723**
Balance – end of period	**1,659,888**	**1,307,241**	**409,856**	**202,197**	**306,311**	**14,789**	**3,900,282**

(a) See “Brechas Vacas Property” discussed previously

Project expenditures for the year ended December 31, 2010 are as follows:

Twelve months ended December 31, 2010	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs	72,646	25,883	42,133	208	208	789	141,867
Drilling	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Project Management	72,686	18,064	18,448	4,854	39,334	179	153,565
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Professional Fees	63,543	5,812	4,131	2,895	5,149	NIL	81,530
Topography	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Travel and Lodging	41,176	1,785	1,711	4,558	23,136	NIL	72,366
Sampling	NIL	3,065	NIL	NIL	2,260	NIL	5,802
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL	NIL
VAT Paid	12,617	1,641	594	1,010	4,320	NIL	20,182
Current Expenditures	**263,145**	**56,250**	**67,017**	**13,525**	**74,407**	**968**	**475,312**
Write-offs	NIL	NIL	NIL	NIL	NIL	(5,755)	(5,755)
Currency Translation Adjustment	(81,156)	(30,547)	(3,320)	(13,996)	(6,468)	(922)	(136,409)
Balance – beginning of period	**748,091**	**304,855**	**NIL**	**146,344**	**30,557**	**12,728**	**1,242,575**
Balance – end of period	**930,080**	**330,558**	**63,697**	**145,873**	**98,496**	**7,019**	**1,575,723**

Brechas Vacas Property

During the year ended December 31, 2011, the Company spent $782,947 on the exploration and 50 % acquisition of the Brechas Vacas Property, a significant increase of $519,802 over the expenditures of $263,145 during the year ended December 31, 2010. The increase reflects the initiation of the phase I of the Company’s drilling plan, as outlined in the NI 43-101 Report as well as payments made pursuant to the purchase option agreements.

Chita Property

During the year ended December 31, 2011, the Company spent $1,001,971 on the exploration of the Chita Property. This level of expenditures represents a significant increase of $945,721 over the expenditures of $56,250 incurred during the year ended December 31, 2010. The increase reflects the initiation of the phase I of the Company's drilling plan, as outlined in the NI 43-101 Report.

Minas de Pinto Property

During the year ended December 31, 2011, the Company spent $355,316 on the exploration of the Minas De Pinto Property, an increase of $288,299 over the expenditures incurred during the year ended December 31, 2010 of $67,017. The increase in spending was due to preliminary drilling work and road construction performed on the Minas De Pinto Property.

San Antonio Property

The Company spent $65,900 on the exploration of the San Antonio Property during the year ended December 31, 2011. This represents an increase of $52,375 over expenditures of $13,525 incurred during the year ended December 31, 2010. The Company did not actively explore the San Antonio property during the year ended December 31, 2011 and the expenditures incurred during the year ended December 31, 2011 primarily relate to project management and professional fees.

La Rosita Property

During the year ended December 31, 2011, the Company spent $214,497 on the exploration of the La Rosita Property, and increase of $140,090 when compared to expenditures of $74,407 incurred during the year ended December 31, 2010. The increase in expenditures reflects initial planning, geophysical and sampling work undertaken by the Company during the year ended December 31, 2011.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the year ended December 31, 2011, the Company incurred expenditures of $2,354,512, an increase of $2,114,399 when compared to expenditures of $240,113 for the year ended December 31, 2010 respectively. The significant increases in total expenses are primarily the result of the completion of the Minsud Transaction and the increased costs associated with operating the new amalgamated entity.

As discussed previously, the Company incurred total transaction costs of $1,395,797 in connection with the Minsud Transaction completed during the year ended December 31, 2011. Included in these costs are professional and consulting fees, as well as the fair value of shares issued to a consultant for services rendered in connection with the Minsud transaction and other adjustments necessary to account for the Minsud Transaction. The Company did not incur any such costs during the year ended December 31, 2010.

The Company also incurred professional and regulatory fees of $324,336 during the year ended December 31, 2011. These amounts include management salaries and fees paid for the services of the CEO and CFO, as well as general accounting, audit and legal fees. The Company did not incur any such expenses during the year ended December 31, 2010.

During the year ended December 31, 2011, the Company granted 3,360,000 stock options to directors, officers, employees and service providers. The related stock-based compensation expense for the year ended December 31, 2011 was $425,132. The Company did not incur any stock-based compensation expense during the year ended December 31, 2010.

The Company incurred general and administrative expenses of $175,632 during the year ended December 31, 2011, representing a decrease of $64,481 from similar expenses of $240,113 for the year ended December 31, 2010.

The Minsud Transaction completed in May 2011 led to significant structural and operational changes such that the comparability of pre-Minsud Transaction periods and post-Minsud Transaction periods is impaired.

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	**2011**				**2010**			
For the quarters ended	**Dec**	**Sep**	**Jun**	**Mar**	**Dec**	**Sep**	**Jun**	**Mar**
	$	$	$	$	$	$	$	$
Net Revenues	3,662	4,704	1,577	1,359	5,615	4,473	148	-
Net loss for the period	(222,774)	(236,578)	(1,794,210)	(89,648)	(68,552)	(78,127)	(37,724)	(45,474)
Comprehensive loss for the period	(389,340)	(53,131)	(1,849,349)	(173,653)	(65,158)	(94,695)	(55,408)	(184,656)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.07)	(0.01)	(0.007)	(0.009)	(0.005)	(0.006)

Factors affecting quarterly results

Fluctuations in quarterly results are caused by issuance of stock option compensation, costs and fees related to the Qualifying Transaction and the increase in the level of exploration activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $2,260,363 as at December 31, 2011, compared to working capital of $145,114 as at December 31, 2010. As at December 31, 2011, the Company held cash and cash equivalents of $2,445,162 versus $134,780 as at December 31, 2010.

The Company strengthened its financial position by raising gross proceeds of $5,509,000 through the Brokered Offering concurrently with the amalgamation and Qualifying Transaction dated May 10, 2011 (refer to *"Completed Qualifying Transaction and Brokered Offering"*

The Company has prepared its detailed administration and project exploration budgets for the next 12 months. Based on these budgets, as well as management´s expectations, the Company will require funding to sustain its operation through fiscal year 2012. In this regard management and the Board have agreed to pursue a non-brokered private placement for proceeds of up to $1.5 million which the Company expects to complete in the second quarter of fiscal 2012.

While running its business plan, as it was presented and approved, management is permanently monitoring financial market conditions and cash availability. Even though no reduction or delay in field work was experienced, the Company is prepared to preserve its cash position according to market perspectives.

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 commodity prices and potential economic downturns.

Share Capital

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

(i)	Shares outstanding	34,633,000
(ii)	Options outstanding	3,360,000
(iii)	Warrants	13,772,500
(iv)	Broker warrants	919,900

(i) Shares Outstanding

The effects of the Qualifying Transaction on the issued capital of the Company are as follows:

Issued Capital	**Number**
Common shares of MSA outstanding at May 10, 2011	10,852,000
Issuance of additional shares of MSR to the shareholders of MSA	4,690,600
Non-controlling interest (5.0%) of MSA	(542,600)
Common shares of the Company outstanding at May 10, 2011	5,110,000
Exercise of Company stock options	511,000
Reduction of Company shares - post consolidation	(2,810,500)
Common shares of MAI outstanding at May 10, 2011	2,550,000
Common shares issued in conjunction with a consulting services agreement	500,000
Common shares of the Company issued upon completion of Brokered Offering	13,772,500
Balance as at May 10, 2011	34,633,000

(ii) Options Outstanding

On June 9, 2011, the Company granted 3,360,000 stock options to directors, officers, employees and consultants. The options have an exercise price of $0.40 per share and shall vest as follows: one-quarter on June 9, 2011, one-quarter on December 9, 2011, one-quarter on June 9, 2012 and one-quarter on December 9, 2012. The options have a term of five years.

The fair value of these options was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.21%
Expected life	5 years
Expected volatility	125%

On October 10, 2011, one of the Company’s directors resigned, resulting in the cancellation of 225,000 stock options which had yet to vest. The director has a period of one year following his resignation to exercise 75,000 stock options which had vested as of the date of his resignation.

On October 26, 2011, the Company granted 225,000 stock options to a director. The options have an exercise price of $0.40 per share and shall vest as follows: one-quarter on October 26, 2011, one-quarter on April 26, 2012, one-quarter on October 26, 2012 and one-quarter on April 26, 2013. The options have a term of five years.

The fair value of these options was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.96%
Expected life	5 years
Expected volatility	115%

(iii) Warrants Outstanding

During the period ended December 31, 2011, the Company issued 13,772,500 Warrants pursuant to the Brokered Offering. Each Warrant entitles the holder thereof to purchase one common share at $0.60 per common share for a period of 24 months from the date of the Minsud Transaction.

The fair value of the Warrants was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.25%
Expected life	2 years
Expected volatility	125%

(iv) Broker Warrants

During the period ended December 31, 2011 the Company issued 919,900 Broker Warrants in connection with the Brokered Offering. Each Broker Warrant entitles the holder thereof to purchase one Private Placement Unit at $0.40 per Private Placement Unit for a period of 24 months from the date of the Minsud Transaction. Each Private Placement Unit consists of one common share and one non-transferable Warrant, with each Warrant entitling the holder thereof to purchase one additional common share at $0.60 per common share for a period of 24 months from May 10, 2011.

The fair value of the Broker Warrants was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.25%
Expected life	2 years
Expected volatility	125%

COMMITMENTS AND CONTINGENCIES

Mineral Property Commitments

A summary of the Company´s outstanding mineral property commitments, pursuant to property option agreements, as at December 31, 2011 is as follows (all amounts are in United States Dollars):

Staggered payments	Year	Brechas Vacas	Chita	Minas de Pinto	Total	Brechas Vacas
Payable in:			Cash			Shares
		$	$	$	$	$
	2012	100,000	30,000	100,000	230,000	
	2013	100,000	40,000	150,000	290,000	40,000
	2014	140,000	-	-	140,000	40,000
	2015	170,000	-	-	170,000	60,000
	2016	200,000	-	-	200,000	80,000
Total staggered payments		**710,000**	**70,000**	**250,000**	**1,030,000**	**220,000**

Option payments	Year	Brechas Vacas	Chita	Minas de Pinto	Total	Brechas Vacas
Payable in:			Cash			Shares
		$	$	$	$	$
	2014	-	350,000	1,635,000	1,985,000	-
	2017	535,000	-	-	535,000	535,000
Total option payments		**535,000**	**350,000**	**1,635,000**	**2,520,000**	**535,000**
Total property payments		**1,245,000**	**420,000**	**1,885,000**	**3,550,000**	**755,000**

Exploration and drilling framework agreement:

On December 21, 2010, MSA entered into an exploration and drilling framework agreement with a drilling contractor (the “Contractor”), under which the Contractor agreed to make available to MSA the equipment, machinery and workforce necessary to drill up to a total amount of 6,000 m in the mining properties to be identified by MSA. MSA has already made an advance payment of $224,628 (the “Advance Payment”). The Advance Payment shall be proportionally offset with any invoices issued by the Contractor.

As at December 31, 2011, the Company has drilled 3,360 m and the outstanding balance of the advance payment has been reduced to $60,945.

Services agreement with the Company’s President and CEO:

On December 26, 2011, the Company entered into a services agreement with an effective date of June 1, 2011, with its President and CEO. Pursuant to the services agreement, an annual fee of $140,000, consisting of salary and directors fees of MSA, will be paid in monthly instalments by MSA until the expiry of the contract on May 31, 2012, at which point the Company's Board of Directors may extend the agreement at their discretion. 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.

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

On January 24, 2012, the Company entered into a consulting agreement with a director to become the Company's Vice-President (Exploration) in exchange for an hourly fee of $150 for office-based work on the Company's exloration program and a daily fee of $1,000 for exploration field work. The agreement expires January 1, 2013, and can be extended at the discretion of the Company's Board of Directors.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2011, the Company incurred the following related party transactions:

i) Transactions

a. A total of $27,562 in office rent expense and other minor expenses was charged by a shareholder of the Company.

b. during the year ended December 31, 2011, the Company borrowed, and repaid in full, 800,000 Argentine Pesos (approximately $191,278) plus accrued interest and related expenses of 33,071 Argentine Pesos (approximately $7,843) to a shareholder of the Company.

c. A total of $176,510 was charged by the acting CEO of the Company. Included in this amount is a one-time bonus payment of $75,000 for reaching certain key milestones in the Company’s growth and development.

d. A total of $41,205 was charged by an individual related to the Company’s CEO.

e. A total of $41,167 of accounting and regulatory compliance fees and $15,333 of CFO fees was charged by an accounting firm in which the Company's CFO is a partner.

f. During the year ended December 31, 2011, the Company granted 2,950,000 stock options to key members of management. The amount of stock-based compensation expense for the year ended December 31, 2011 related to these options was $373,910.

ii) Period-end Balances

a. As at December 31, 2011, accounts payable and accrued liabilities included $5,400 payable to the acting CEO of the Company.

b. As at December 31, 2011, accounts payable and accrued liabilities included $30,210 payable to accounting firm in which the Company's CFO is a partner.

All related party transactions were in the normal course of operations.

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 identifies its significant accounting policies in note 3 to the audited consolidated financial statements for the year ended December 31, 2011.

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:

Commodities Price Risk

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.

According to the London Gold Spot, the values of Gold and Silver are as follows:

Year	Gold (Oz)			Silver (Oz)		
	Max	Min	Close	Max	Min	Close
2008	1,011	713	865	21	9	11
2009	1,213	810	1,104	19	11	16
2010	1,421	1,058	1,410	31	15	31
2011	1,897	1,316	1,575	49	26	28

Environmental Risk and Regulation

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.

Licenses and Permits

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 Explotation 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 financing in Canadian funds 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.

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 which is available under the Company's profile on www.sedar.com.

RECENT ACCOUNTING PRONOUNCEMENTS

There have been recent amendments to a number of standards under IFRS-IASB which will become effective for the Company's fiscal years ended December 31, 2012. Management does not expect that the adoption of these amendments will have any impact on the financial reporting of the Company. In terms of future accounting pronouncements, IFRS 9, "Financial Instruments: Classification and Measurement", which is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. IFRS 9 will replace IAS 39. Management anticipates that the Company will not early adopt IFRS 9. Management has not yet had an opportunity to consider the potential impact of IFRS 9.

RECENT ARGENTINE REGULATIONS

Foreign Currency Purchases

New regulations have been enacted for the purposes of regulating and strengthening the control over the purchase of foreign currency by Argentine residents and corporate entities such as MSA.

On October 31, 2011, General Resolution 3210 was passed by the Argentine Federal Tax Authority (AFIP) making it mandatory for any licensed financial entity or foreign exchange house selling foreign currency to Argentine residents to confirm with AFIP if such resident is able, according its financial situation and information filed before AFIP, to purchase said foreign currency. Additionally, the Central Bank of Argentina has enacted several resolutions on the matter which may restrict the purchase of foreign currency by Argentine residents such as MSA in the future.

MSA has agreed to pay a series of staggered and option payments in United States Dollars pursuant to the exploration and purchase option agreements signed in respect of the Chita Valley Project, namely the Brechas Vacas, Chita and Minas de Pinto Agreements. The Brechas Vacas and Minas de Pinto Agreements allow payments to be made in Argentine Pesos in the case that MSA is not able to acquire the United States Dollars, but this clause was not included in the Chita Agreement.

In accordance with current Argentine foreign currency control regulations, all capital contributions made by the Company in MSA are required to be converted, upon entering Argentina, into Argentine Pesos through selling the transferred funds through a local bank at the Central Bank's official exchange rate.

On March 1, 2012, MSA has filed a formal petition before AFIP requesting the authorization to purchase the necessary United States Dollars in order to allow MSA to fulfill its obligations due within the year.

On April 13, 2012, MSA was authorized to acquire United States Dollars in order to discharge its obligations for fiscal 2012.

QUALIFIED PERSONS

The Scientific and technical data included in this MD&A has been reviewed by Mr. Howard Coates, Professional Geoscientist, Director of the Company and a geological consultant. Mr Coates is a qualified person as defined by Canadian 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.