Management's Discussion and Analysis of the Audited Consolidated Financial Statements
For the Year Ended December 31, 2012

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended December 31, 2012

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" or "Minsud") to enable a reader to assess the financial condition and results of operations of the Company for the year ended December 31, 2012.

This MD&A has been prepared as at April 16, 2013 unless otherwise indicated.

This MD&A should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2012 (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 98.30% 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. MSA has a 100% interest in the Chita property, the 50% beneficial interest in the Brechas Vacas Trust which holds title to the Brechas Vacas properties, holds a claim on the Chita II properties, and is a party to Exploration and Purchase Option Agreements for the Minas de Pinto properties, as well as the remaining 50% beneficial interest in the Brechas Vacas Trust. These properties are located in the San Juan Province of Argentina and are 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 (see note 1 to the Financial Statements).

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 "Put and Call Option").

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 were 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

As at December 31, 2011 MAI held 27,197,400 of the 27,740,000 issued and outstanding shares of MSA. On June 18, 2012, MAI subscribed for an additional 4,254,785 common shares of MSA for consideration of $970,001. This increased MAI's holdings to 31,452,185 of the 31,994,785 outstanding common shares of MSA, representing an ownership interest of 98.30% as at December 31, 2012.

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 Mr. Howard Coates, P.Geo. as a director and subsequently appointed him 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 Diego Eduardo Perazzo (Chairman), Carlos Alberto Massa (President and Chief Executive Officer), Alberto Francisco Orcoyen, Scott White, Howard Coates Vice-President (Exploration) and Eduardo Mendl. As of the date of this MD&A, Mr. Orcoyen and Mr. Mendl are independent directors, and together with Mr. White, form the Company´s audit committee.

The Board has not appointed a nominating, or compensation committee. Given the Company's size and stage of development, the Board considers such committees to be unnecessary at this time. At present, the entire Board is responsible for the nomination of directors and management compensation.

DEVELOPMENTS DURING THE YEAR ENDED DECEMBER 31, 2012

I. CHITA VALLEY PROJECT

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.

However, 30 ha within the boundaries of the Chita property are owned by third parties. The Company does not consider such property held by third parties as material to its current exploration activities.

In addition, a gap of 6.6 ha between the properties of Chita and Brechas Vacas has 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 position is in line with the stance of MSA in the sense that such claim has not enough surface neither for mineral disseminated nor for vein mineralization according to the Argentine Mining Code. This resolution has to be confirmed by the Legal Department of the Secretaty of Mines in the San Juan Province.

On August 3, 2012, the Company exercised its Purchase Option to acquire a 100% interest in the Chita property. In consideration for the transfer of ownership of the Chita property, the Company has agreed to pay a total of US$420,000, payable as follows: US$30,000 payable in cash within ten days from the date on which the property owners accepted the Company's offer to exercise the purchase option; US$40,000 payable in cash simultaneously with the execution of the public deed evidencing the transfer of the Chita property to the Company; and US$350,000 payable in ten semi-annual cash payments of US$35,000 each, the first of which shall be payable six months after the date of execution of the above mentioned public deed. As of the date of this MD&A, the Company has made the first three payments totaling US$105,000 ($104,681).

To summarize, Minsud through its affiliate MSA owns 100% of Chita mining rights. MSA is also beneficial owner of 50% of the Brechas Vacas Trust, and the remaining 50% beneficial interest in the Trust is subject to an exclusive and irrevocable purchase option agreement granted in favor of MSA. The Brechas Vacas Trust owns 100% of the Brechas Vacas mining rights. MSA has an Exploration Agreement including a Purchase Option with the owners of the Minas de Pinto properties. Further information is disclosed in note 6 of the annual Financial Statements.

B) Chita Environmental Impact Report

On October 18, 2012 the first bi-annual actualization of the Chita property DIA (Environmental Impact Report) 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 related to providing an archeological prospection report, surveying on glacier and periglaciear areas, monitoring water, vegetation and wildlife on the Chita district.

MSA hired independent advisors and specialists to complete these requirements within the terms granted.
The report on glacier, periglacier and permafrost has been received and concludes that within the area of the Chita property there are not any glacier forms such as those mentioned in the art 2 of the Provincial Law # 8144.

The preliminary archeological report anticipated that the existing background of the area indicates that an archeological prospection is required soon. MSA has already requested permission before the Secretary of Culture of the San Juan Province, to begin with the field work as suggested by the scientific professional advising on this matter.

The monitoring of water has been completed yielding results within acceptable parameters and the receipt of a report on vegetation and wild life that has been completed by a specialist in the field is still pending.

C) 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 deposits deposited unconformably on a middle Paleozoic basement or Lower Paleozoic sediments, dependent upon its location. These Upper-Paleozoic sediments of Upper Carboniferous-Lower Permian age corresponds to the Agua Negra Formation, a marine transitional sedimentary unit about 2,000 m thick that is widely distributed throughout the region. This formation was, during the Gondwana orogenic cycle, folded and then intruded by Lower Permian granitoids, mostly granodiorites, granites and tonalites named the Tocota Pluton and the Chita Pluton, parts of the Colanguil Batholith. A series of porphyries and subvolcanic andesitic bodies of middle to upper Tertiary age, belonging to the Olivares Group, 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. On the Chita Valley Properties the Agua Negra units are primarily quartzites, lutites and interbedded sandstones and lutites. The Agua Negra Formation was deposited during the Gondwanic Orogenic cycle.

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.

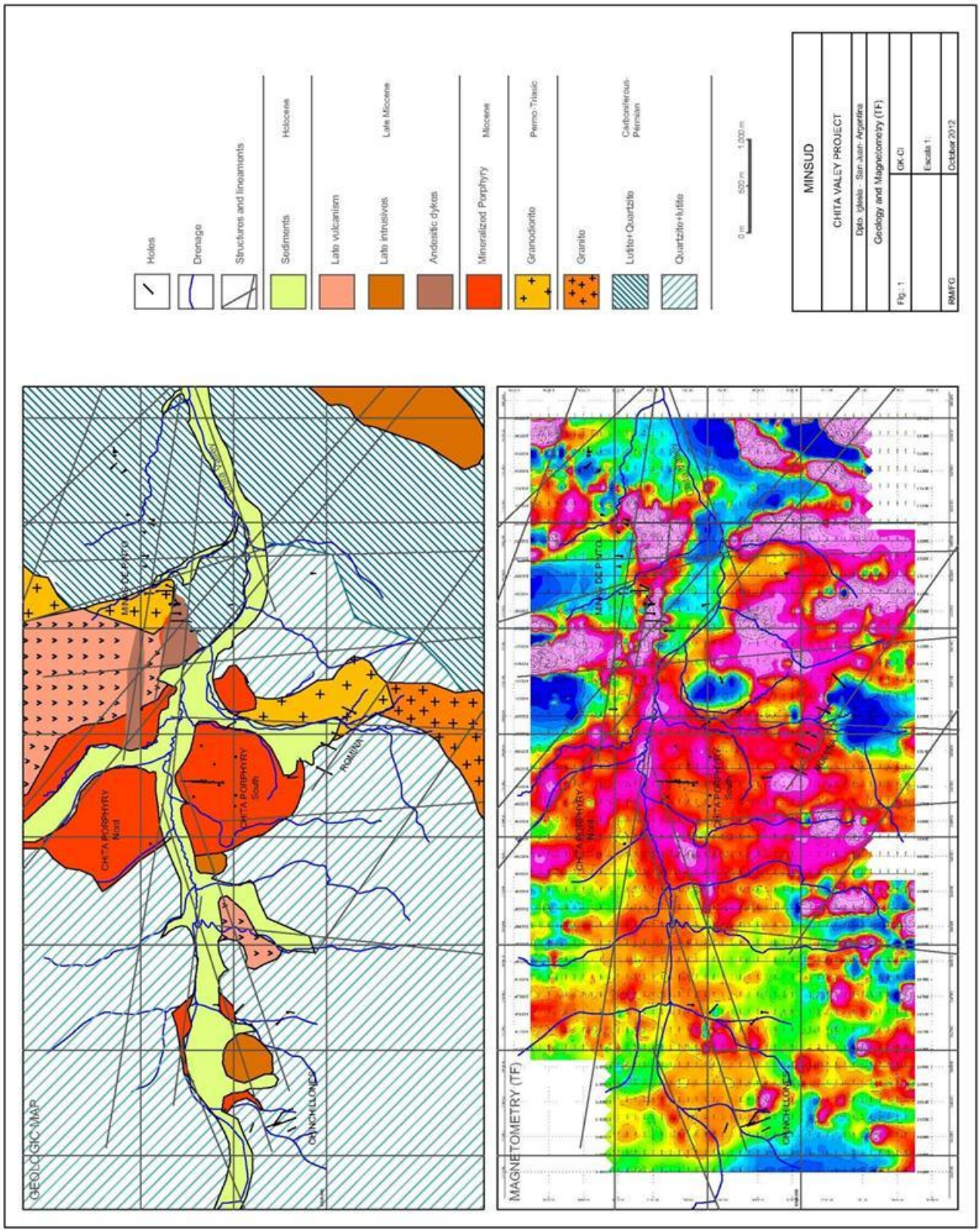
The Permo-Triassic granitoids are exposed along two north-south corridors on the Chita Valley Properties. The oldest plutonic suite, the regionally extensive Tocota Pluton includes a variety of tonalities, granites, granodiorites and microgranites may be as old as Carboniferous in some areas. In the east central part of the Properties two outliers of the Tocota Pluton are predominantly granodioritic in composition and intrude the Agua Negra Formation.

The Chita Granite of Lower Triassic to Permian age is exposed in the north-western corner of the Properties. The Placetas Porphyry is designated as part of the Chita Granite on the regional geology map. It is possible that this intrusion might be part of the younger Tertiary-Cretaceous group of felsic to intermediate porphyries that are exposed in the Chita Valley. Further geological studies are planned for this area.

All of the above lithologies have been intruded by sub-volcanic andesitic-dacitic porphyry bodies and felsic dykes of Mid- to Upper-Tertiary Age corresponding to the Olivares Group and probably to the Pircas Unit. One of these bodies, the Chita South Porphyry (not to be confused with the Chita Granite) has been dated as Miocene age (11.7 ma.). 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.

Pleistocene deposits are found the Chita Valley and also to the west of the project area. Unconsolidated Quaternary alluvial and colluvial deposits cover the central portion of the Chita Valley.

Central portion Chita Valley Project Area, Geology and Magnetics



Regional Mines, Development and Advanced Exploration Projects

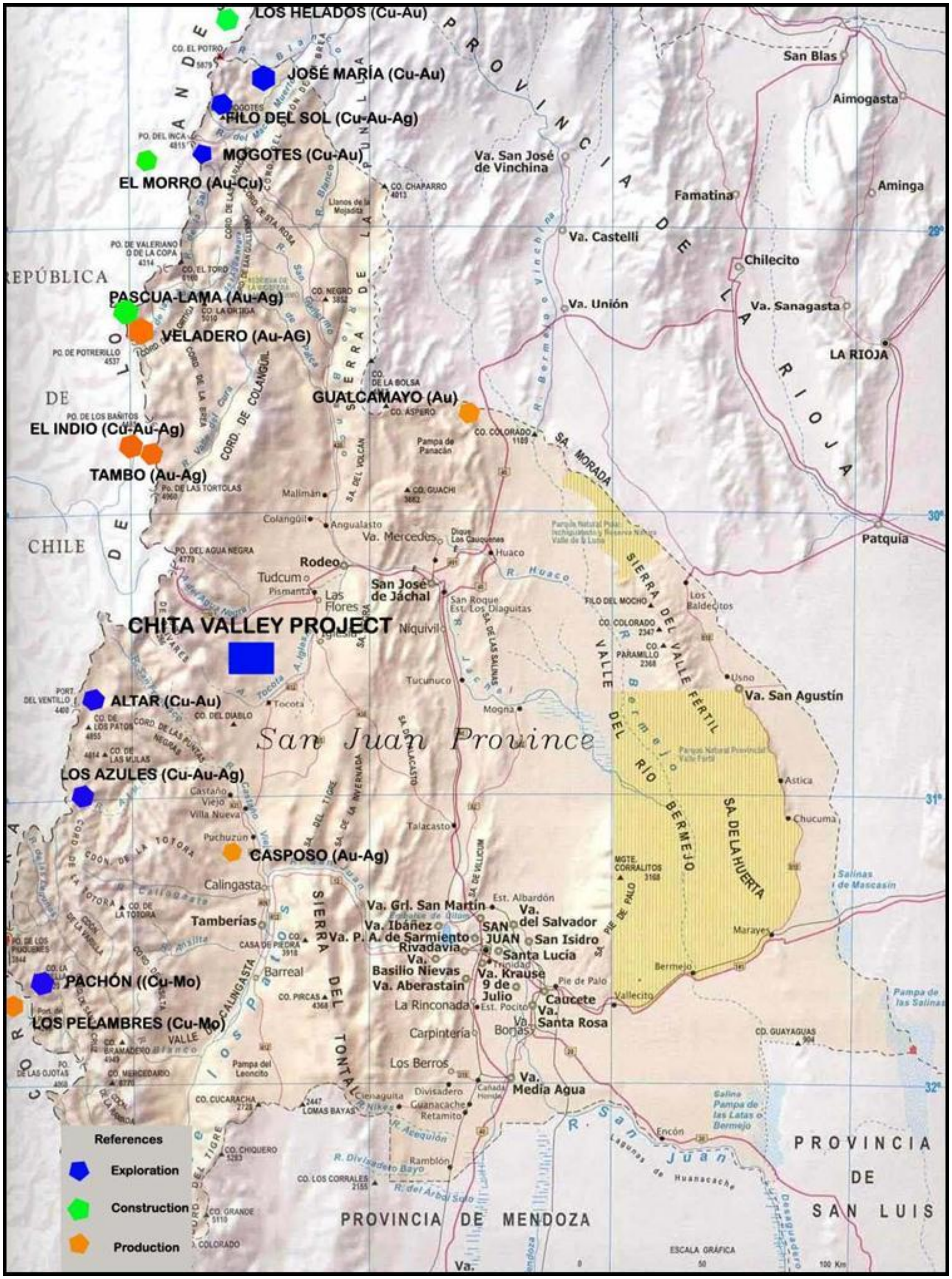
San Juan Province, Argentina and adjacent areas of Chile contain a variety of important former and current Au+/-Ag+/-Cu mining operations along with a major development stage project. Barrick Gold Corporation ("Barrick") is by far the region's most established major player with its now defunct El Indio Cu-Au-Ag Mine and the nearby Tambo Au-Ag Mine, Chile, having produced 5.7 million ounces of gold, 25 million ounces of silver, and 472Kt of copper from 16.8 Mt of ore between 1979 and 2002. Barrick currently has two major projects in the northern part of the El Indio belt, the Veladero Au-Ag Mine, Argentina, which commenced production in 2005 and the giant Pascua-Lama Au-Ag development project overlaping the Chile-Argentina border that is scheduled for start-up in 2014/15. Pascua-Lama is expected to be one of the world's largest, lowest cost mines and is expected to contribute significant cash flow to Barrick for many years to come. As of December 31, 2011, Pascua-Lama has proven and probable reserves of 17.9 million ounces of gold, with 676 million ounces of silver contained within the gold reserves. Outside of the El Indio Belt are the Casposo Au-Ag Mine of Troy Resources Limited in the Andean Frontal Cordillera and the Gualcamayo Au Mine of Yamana Gold Inc**.** in the Precordillera Belt farther to the east.

Collectively, combining historical production and published reserves, the above noted operations account for over 40 million ounces of gold, 920 million ounces of silver and 470,000 tonnes of copper. The El Indio Belt accounts for the bulk of the regional mineral endowment.

In addition to the current/former mines and the Pascua Lama development project there are a number of advanced exploration to feasibility stage projects in San Juan Province. These include, among others, the Vicuña Cu-Au, Jose Maria Cu-Au and the Filo del Sol Cu-Au-Ag deposits of NGEx Resources Inc., the Mogotes Cu-Au-Ag exploration project of Golden Arrow Resources Corp/ Vale Exploración Argentina S.A., the Pachón Cu-Mo deposit of Xstrata Copper, the Los Azules Cu-Au-Ag exploration project of McEwen Mining Inc. (ownership disputed), and the Altar Cu-Au exploration project of Stillwater Mining Company (formerly Peregrine Metals Ltd.).

The Company has not independently verified the statistical data from these regional properties and notes that the above information is not necessarily indicative of similar mineralization on the Chita Valley Project.

Au-Ag-Cu Mines/Projects San Juan Province, Argentina and adjacent Chile

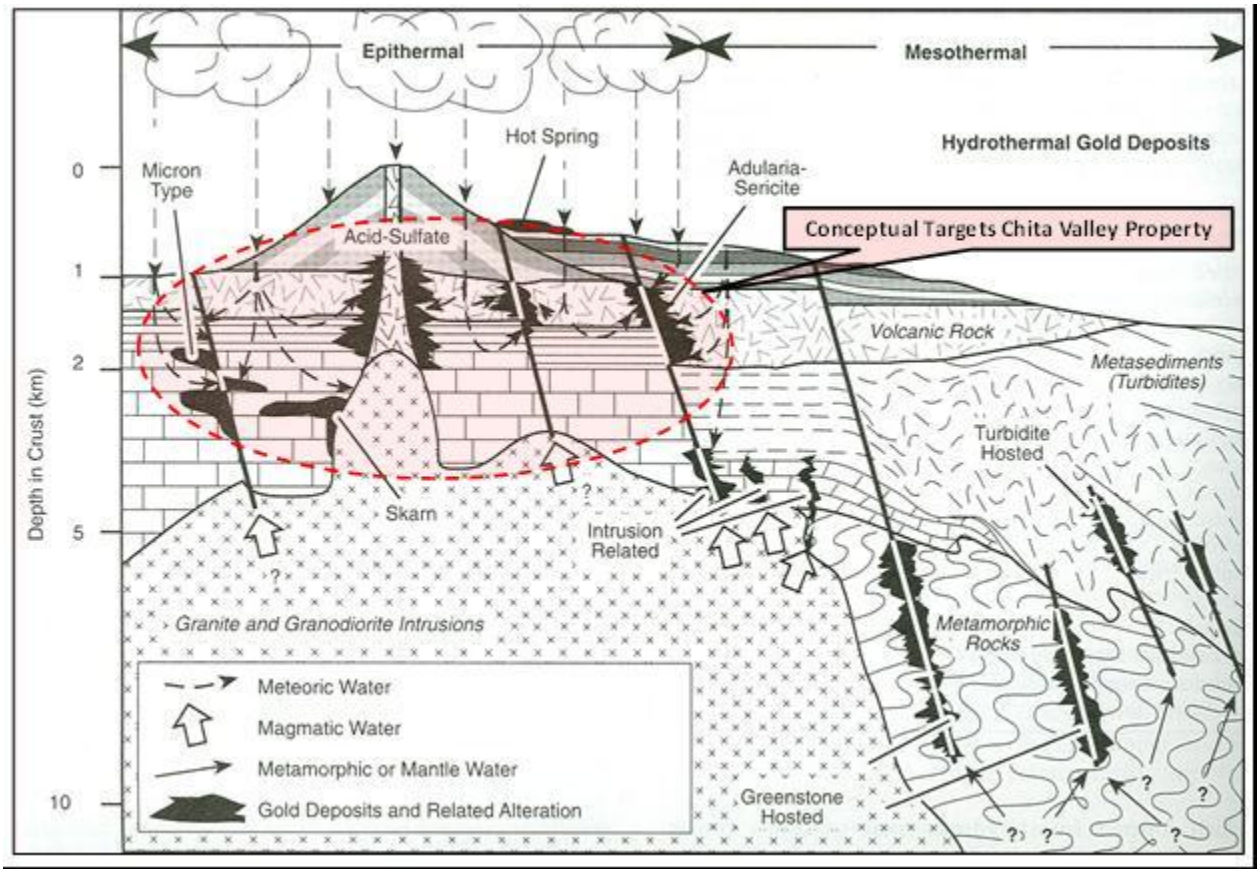


Deposit Models

The northwestern region of San Juan Province, Argentina and neighbouring Chile is home to a world class collection 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 type sought in the Chita Valley area is 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.

Simplified Schematic Diagram Hydrothermal Gold Deposits (Taylor, 2007).



The El Indio Belt deposits account for the bulk of the historical and planned production in the region. Contrary to some earlier investigations the El Indio deposits are no longer considered to be simple "classical" high-sulphidation epithermal deposits. Heberlein (2008) states; that El Indio is *"a spatially and temporally zoned epithermal system with components of high, intermediate and low-sulphidation styles of alteration and mineralization. Bonanza gold grades are associated with later intermediate to low-sulphidation quartz-gold veins that are superimposed over early high-sulphidation enargite-pyrite veins. Deposit formed by a two-stage process: an earlier prograde event (HS to IS) and a later retrograde event (LS)."* Interestingly there are two additional types of hydrothermal activity and

associated non-commercial mineralization at El Indio: a porphyry-style that predates the HS to IS event and a later post-LS chalcedony vein event. In other words the El Indio paleotectonic setting may be described diatreme volcanic vent/porphyry complex.

Heberlein (2008) also shows that the El Indio diatreme volcanic vent/porphyry complex lies inside a temporal range mostly within the Miocene epoch of the Tertiary system or between 25 ma and 5 ma. Volcanic activity is dated throughout the temporal range while three types of sub-volcanic intrusions are dated within the period of 21 to 9 ma. Ore body HS, IS and LS mineralization is dated between 9 and 5 ma.

The economic importance of this mineralization style is illustrated by the combined historical production and current published reserves for El Indio/Tambo, Veladero and Pascua Lama which total 34.16 million ounces of gold, 898.7 ounces of silver and 472,000 tonnes of copper

Although the historical exploration programs identified most aspects of the current Miocene diatreme volcanic vent/porphyry model in various parts of the current Chita Valley Properties none were systematic and thorough enough (at least in the available records) to define the conceptual model adequately. The Properties before now were never evaluated by detailed lithological, structural, alteration and mineralization mapping that is supported and expanded by basic property wide magnetic surveying. The Company's recent work for the first time has systematically evaluated the Chita South and Chinchillones/Porphyry A prospects to map the lithology, structure and alteration patterns within the enigmatic deposits context and supported by magnetic data to extend and trace features beneath surface cover.

Both areas that have been mapped in detail contain mineralized features that are indicative of a progression from early porphyry-type mineralization, through diatreme volcanic vent type hydrothermal breccias in porphyry and sediments and finally epithermal veins. Both Chita South and Chinchillones will be discussed in more detail below. Further detailed investigations are planned for other target areas including Chita North and Placetas Porphyries and the Pinto area vein systems.

Previous Exploration Work 2006 to 2011

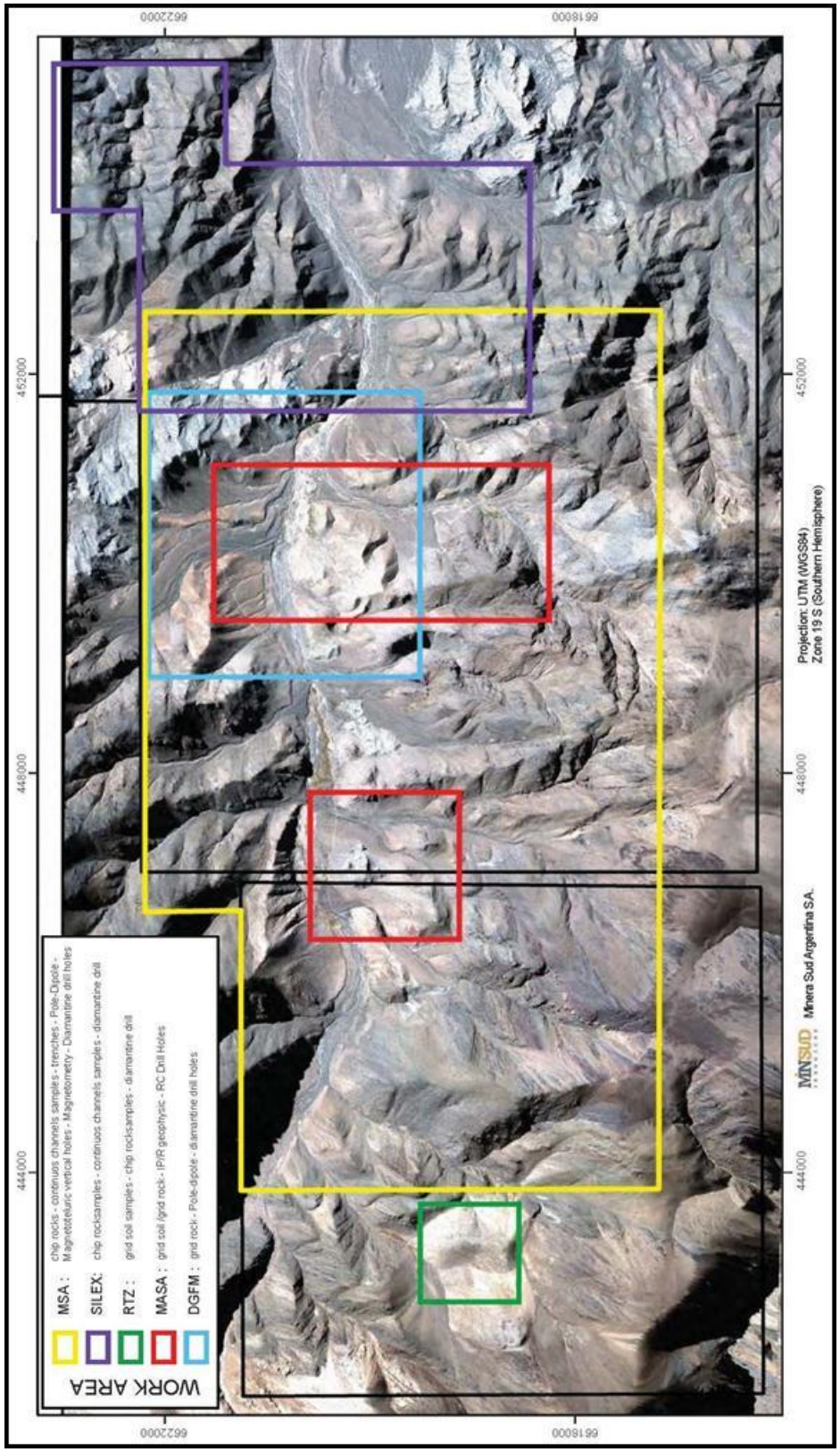
After acquiring the Chita, Brechas Vacas and Chita II Properties in 2006, MSA compiled the historic work from various sources and completed two field programs in the summers of 2007 and 2008. The main ongoing objective of MSA was to define the geology, geochemistry, mineralogy, mineral paragenesis of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

The following historical data was compiled and integrated into the evolving general Chita Valley conceptual model:

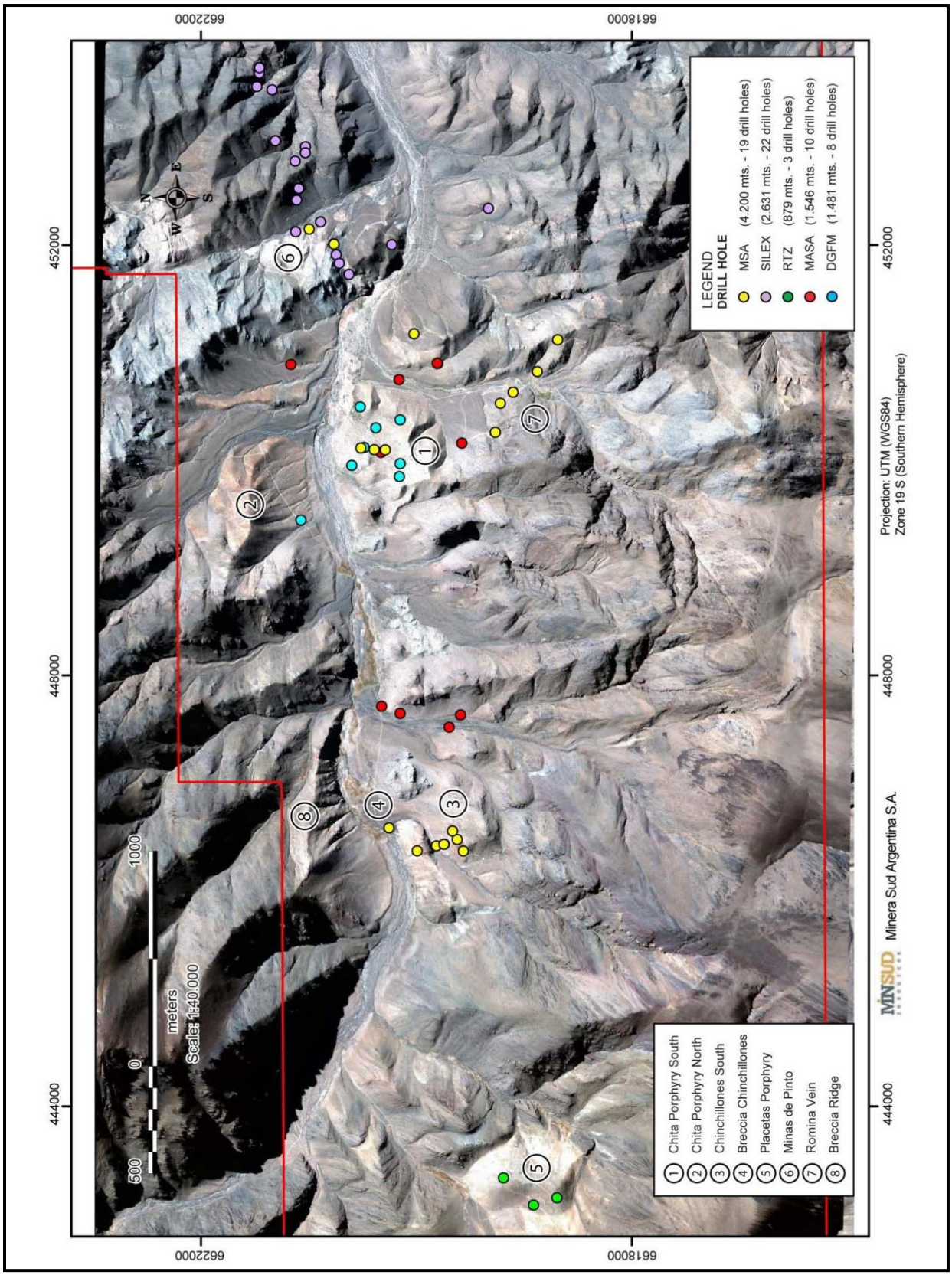
- 1968 and 1976, Direccion General de Fabricaciones Militares program of geological mapping, Schlumberger Vertical Electrical Sounding geophysical surveying and diamond drilling (Chita South Porphyry).
- 1995, Minas Argentina S.A. reverse circulation drilling (Chita South Porphyry).
- 2006, Silex Argentina S.A. ("**Silex**") geological reconnaissance, surface channel sampling and diamond drilling (Pinto Property
- 2008, Rio Tinto Mining and Exploration ("**Rio Tinto**") reconnaissance exploration and diamond drilling (Placetas Porphyry).

The various historical and MSA exploration programs such as geophysical surveys, trenching/detailed surface sampling coverage, and areas covered by detailed geological/alteration mapping programs are shown on the following map and then by a similar map showing the various drill hole locations.

Historical and Current Exploration Work



Historical and Current Drill Hole Locations



The various drilling and surface sampling programs confirmed Cu- Mo- Au porphyry style mineralization together with sometimes superimposed epithermal alteration features and Au – Ag polymetallic veins. It is noteworthy that none of the programs rigorously followed a systematic multidisciplinary approach to drill target development. This is partly attributed to the fact that the Chita Valley properties were only recently consolidated by MSA into a (nearly) complete package. The following table selectively illustrates the various property-wide styles of mineralization along with some of the better grade/thickness combinations.

Summary of Key Chita Valley Drilling/Channel Sampling Results

Prospect	Drill Hole *(Trench)*	from (m)	to (m)	length (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (%)	Comments
Fatima Zone	CHT-004	78.2	79.8	1.6	10.58	88.33	0.22	0.001	Silex, 2006 DDH
Fatima South Zone	CHT-005	90.0	94.0	4.0	0.63	32.10	0.00	0.000	Silex, 2006 DDH
Fatima South Zone	CHT-019	53.0	66.2	13.2	2.38	4.08	0.00	0.000	Silex, 2006 DDH
Johana Vein	CHT-012	129.5	130.5	1.0	4.43	738.00	1.06	0.002	Silex, 2006 DDH
Johana Vein	CHT-013	40.5	47.0	6.5	5.02	16.96	0.01	0.000	Silex, 2006 DDH
Chita South Porphyry	SD-2	0.0	246.0	246.0	n/a	n/a	0.18	0.039	DGFM, 1968 DDH
Chita South Porphyry	SD-A	28.5	58.5	30.0	0.053	2.27	0.36	0.020	DGFM, 1968 DDH
Chita South Porphyry	C96-04	160.0	162.0	2.0	1.329	81.00	0.89	n/a	Masa, 1996 RC
Chita South Porphyry	C96-05	126.0	138.0	12.0	1.186	36.00	0.15	n/a	Masa, 1996 RC
Chita South Porphyry	PSu11-01	9.0	10.0	1.0	32.29	36.10	0.04	0.003	MSA, 2011 DDH
Chita South Porphyry	PSu11-01	114.0	120.0	6.0	1.30	66.66	0.24	0.041	MSA, 2011 DDH
Chita South Porphyry	PSu11-02	41.0	217.0	177.0	0.02	2.50	0.228	0.034	MSA, 2011 DDH
Chita South Porphyry	*TGCC-2012-01*	0.0	549.0	549.0	n/a	n/a	0.014	0.011	MSA, 2011 trench
Porphyry A	MSA08-A	26.0	300.45	274.45	0.035	0.55	0.09	0.010	MSA, 2008 DDH
Chinchillones South	MSA08-B	42.0	43.0	1.0	3.40	60.10	n/a	n/a	MSA, 2008 DDH
Chinchillones South	MSA08-C	104.0	198.0	94.0	0.14	58.00	0.194	n/a	MSA, 2008 DDH
Chinchillones South	ChS11-01	112.0	114.0	2.0	0.18	105.00	1.34	n/a	MSA, 2011 DDH
Chinchillones South	ChS11-04	62.0	63.0	1.0	0.44	393.00	1.46	n/a	MSA, 2011 DDH
Chinchillones South	ChS11-05	135.0	137.0	2.0	0.40	136.00	n/a	n/a	MSA, 2011 DDH
Chinchillones South	*TCHS-2012-03*	13.0	14.0	0.3	8.76	1032.83	0.05	0.000	MSA, 2012 DDH
Chinchillones South	*TCHS-2012-016*	1.0	3.0	2.0	2.51	400.48	0.05	0.001	MSA, 2012 DDH
Romina Vein	RoW11-01	131.0	133.0	2.0	0.20	42.00	1.70	n/a	MSA, 2011 DDH
Romina Vein	RoW11-03	162.0	163.0	1.0	1.17	66.00	1.20	n/a	MSA, 2011 DDH
Romina Vein	RoW11-04	71.0	75.0	4.0	0.83	101.00	3.20	n/a	MSA 2011 DDH
Romina Vein	RoW11-04	203.0	204.0	1.0	2.91	14.00	n/a	n/a	MSA, 2011 DDH
Placetas Porphyry	PLCT-01	78.0	86.0	8.0	0.002	0.02	0.05	0.001	RTZ, 2008 DDH
Placetas Porphyry	PLCT-03	10.0	22.0	12.0	0.004	0.50	0.15	0.001	RTZ, 2008 DDH

Exploration Work 2012

During the 2012 campaign, an early stage exploration program was performed, including:

- a ground magnetometer survey covering some 40 km^2 (200 line km),
- property wide surface geological mapping and general compilation of existing data at 1:20,000 scale,
- detailed surface geological and alteration mapping at 1:1,000 scale over the Chita South Porphyry and Chinchillones Prospects,
- 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.

The general geological map of the Chita Valley properties is a work in progress that is being modified to varying degrees as new information becomes available. In 2012 detailed geological mapping was completed in the

Chinchillones and Chita South Porphyry areas. Detailed mapping is currently in progress in the Chita North - Pinto area and is planned for 2013 in the Brechas Ridge and Placetas Porphyry areas. Basic early-stage magnetic surveying and high-resolution current satellite imagery was utilized for the first time in 2012 to augment lithological, alteration and structural mapping. Additional magnetic surveying to complete initial coverage of the remaining un-surveyed parts of the Properties, as well as selective infill lines are provisionally planned for 2013.

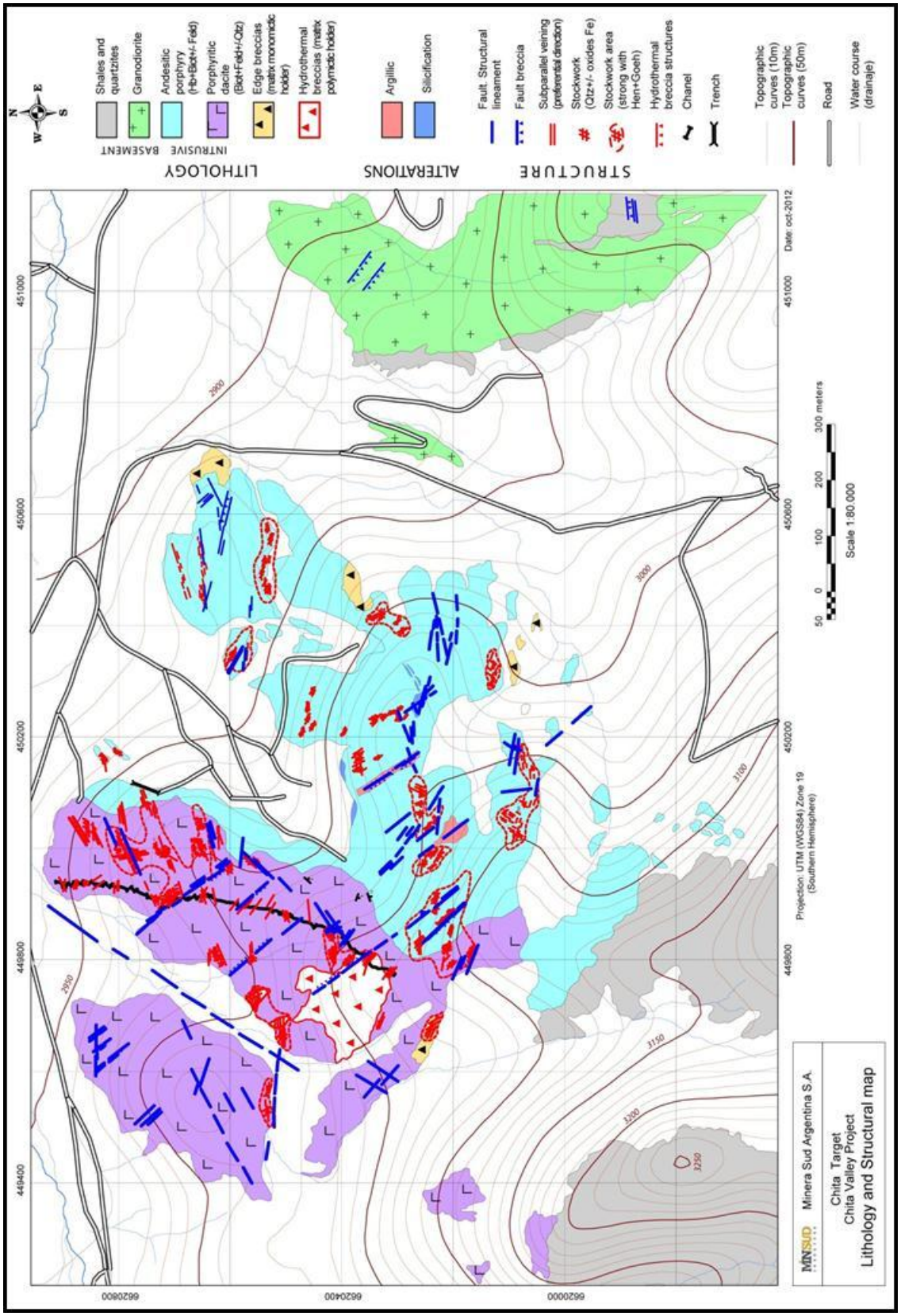
All samples were submitted to the Alex Stewart (Assayers) Argentina S. A. laboratory in Mendoza, Argentina for preparation and analysis. The laboratory is certified to ISO-9001 international standards. All geochemical grab and channel rock samples were analyzed for Au by fire assay/ AA finish, 50 g, (Au4-50) plus a 39-element ICP scan (AR-39).

Detailed Mapping and Sampling Chita South Area

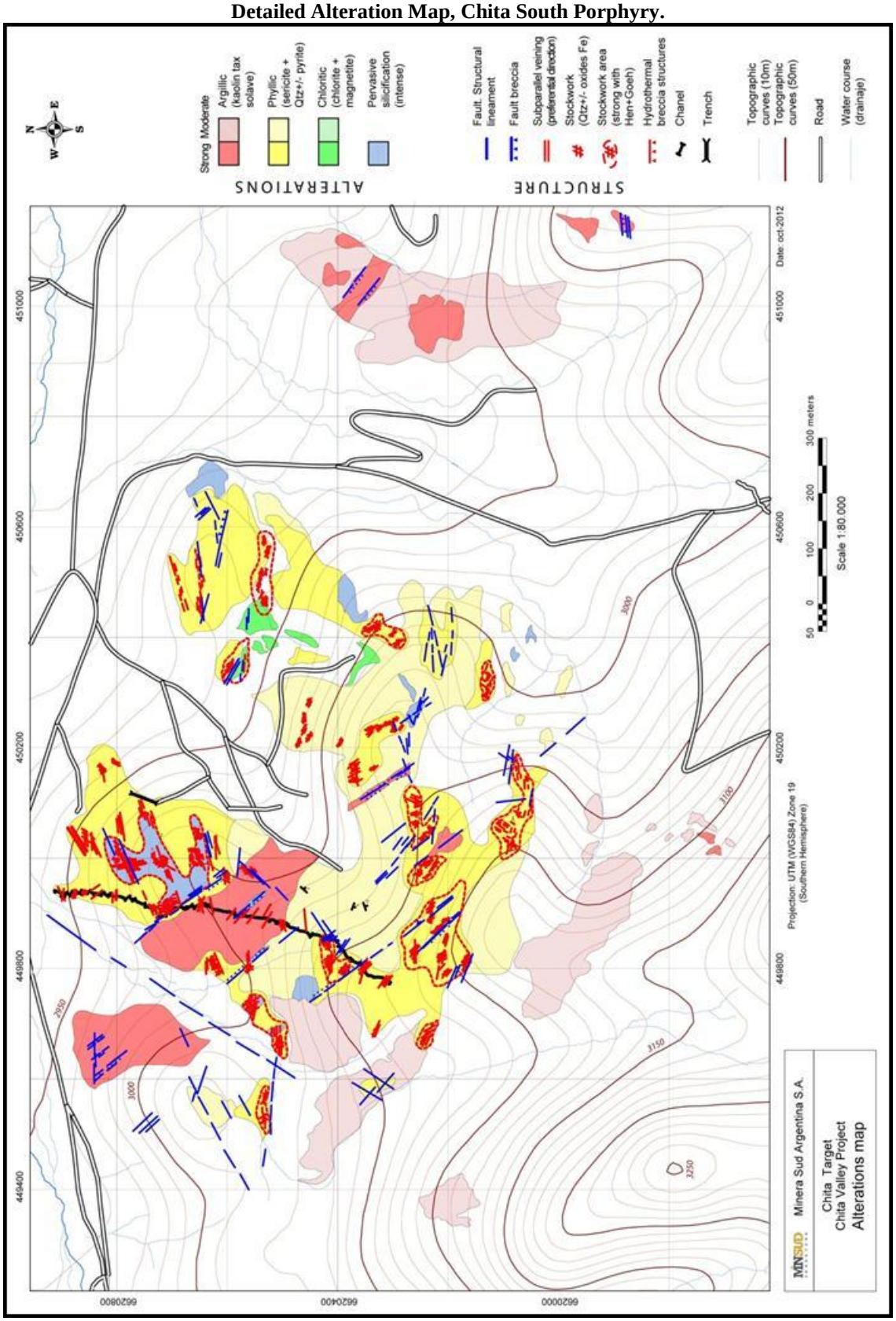
The Miocene Chita South Porphyry is exposed in an area of at least 1.5 km along the south side of Chita Valley. The exposures include andesitic porphyry in the central and eastern portions and dacitic porphyry in the west, located at the intersection of two substantial regional structures. Intense alteration typifies all exposures. In the south the Chita South porphyry intrudes shales and quartzites of the Upper Carboniferous-Permian Agua Negra Formation and in the east partially altered granodiorite of the Permo-Triassic Tocota Pluton. In the South Chita stock edges monomictic intrusion breccias are developed with fragments of quartzite in an andesitic matrix. In general these zones are strongly silicified and altered.

Alteration is predominantly phyllic (Sericite - Quartz + / - Py) moderate to strong and related to high density stock-work (qtz+iron oxides) zones. There is marginal argillic alteration and in some cases superimposed to the phyllic alteration. In general the argillic alteration is related to a more pervasive event. At the center zone of the stock there is a patch of Chlorite + magnetite moderate alteration . The chlorite altered the original mafic rock. It may be related to an event of retrograde alteration over a potasic alteration now present at depth. Secondary biotite or feldspar that sugest classic potassic alteration was not observed.

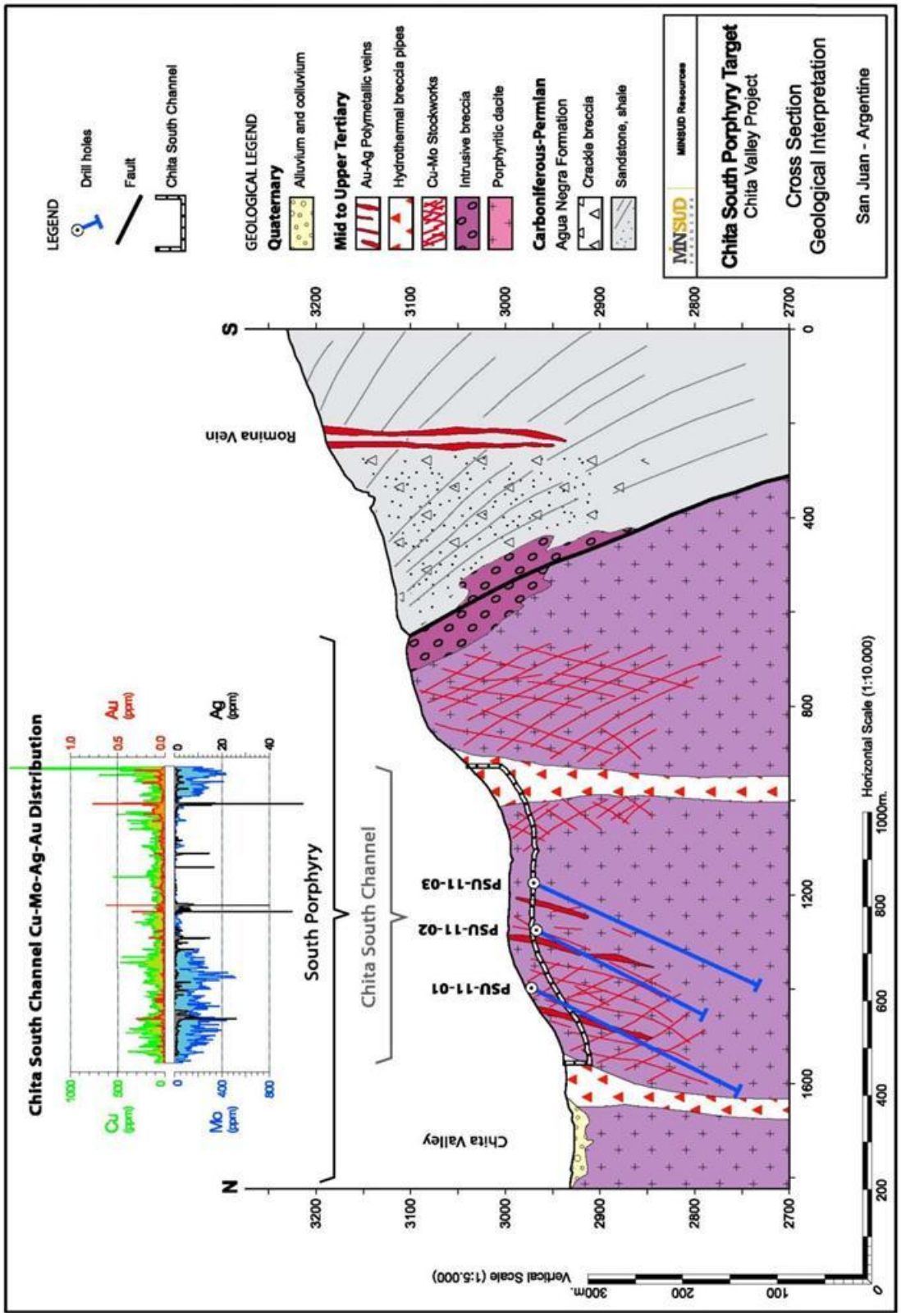
Detailed Geological Map, Chita South Porphyry.



Detailed Alteration Map, Chita South Porphyry.



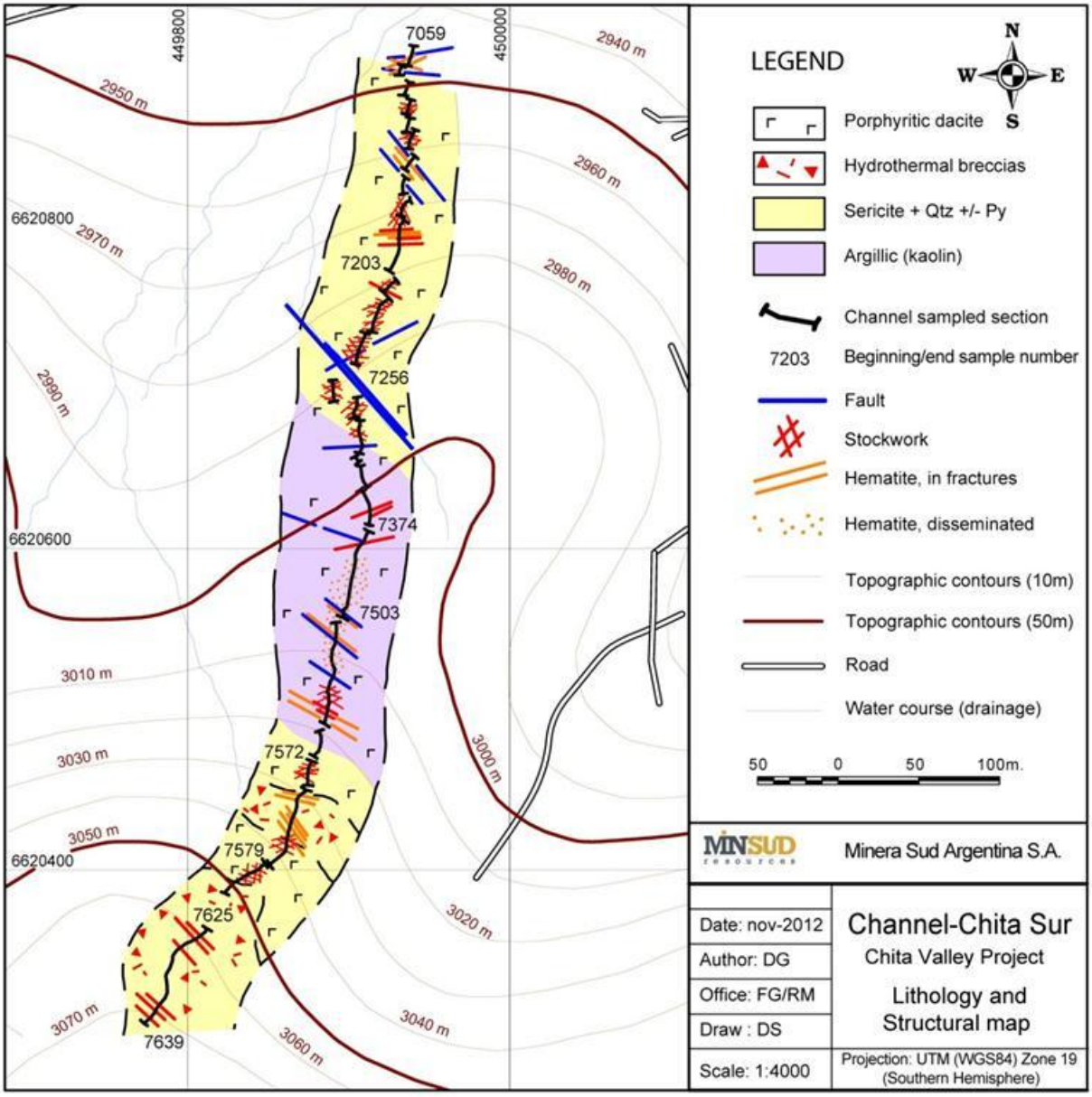
Interpretive cross section, Chita South Porphyry.



The MASA and DGFM soil sampling shows a wide distribution of strong Cu and Mo values. The Mo, by its lower mobility in the leaching environment area of Chita South, is an important guide in the design of the exploration program. The correlation with significant copper (more leachable under these conditions) is very encouraging sign of the primary rock geochemistry and supergene enrichment potential.

The rock outcrop samples and channels support the soil geochemistry and also indicate a good potential for epithermal vein system with localized highly anomalous Au and Ag (up to 10.13 g / t Au and 1146.38 g / t Ag 1.0 m in thickness). A N-S approx. 530 m channel made in west part of the stock clearly define the association of Cu and Mo content areas with higher density of stockwork. The average content of Mo in the 530 m semi-continuous section is 100 ppm. The details of the potential economically significant element analyses for the large channel-cut section are shown in the following figure and are also tabulated below.

Chita South Porphyry composite channel sample map.



Chita South Porphyry, Channel Sample Summary

From (m)	To (m)	Total (m)	Cu %	Mo %	Au g/t	Ag g/t
0.0	549.0	549.0	0.014	0.011		
13.0	103.0	90.0	0.015	0.020		
78.0	80.0	2.0			0.17	18.6
203.0	475.0	272.0	0.012	0.002		
269.0	270.0	1.0			0.35	49.6
280.0	281.0	1.0			0.62	40.1
461.0	463.0	2.0			0.6	35.7
475.0	549.0	74.0	0.027	0.026		

There are important correlations between the magnetic survey results and mapped lithological/alteration features. The magnetics show a magnetic high zone to the south and aligned with Chita Valley. Also the extent of the magnetite-chlorite alteration zone is quite evident, as is an intermediate response coincident with the phyllic alteration halo.

Detailed Mapping and Sampling Chinchillones Prospects

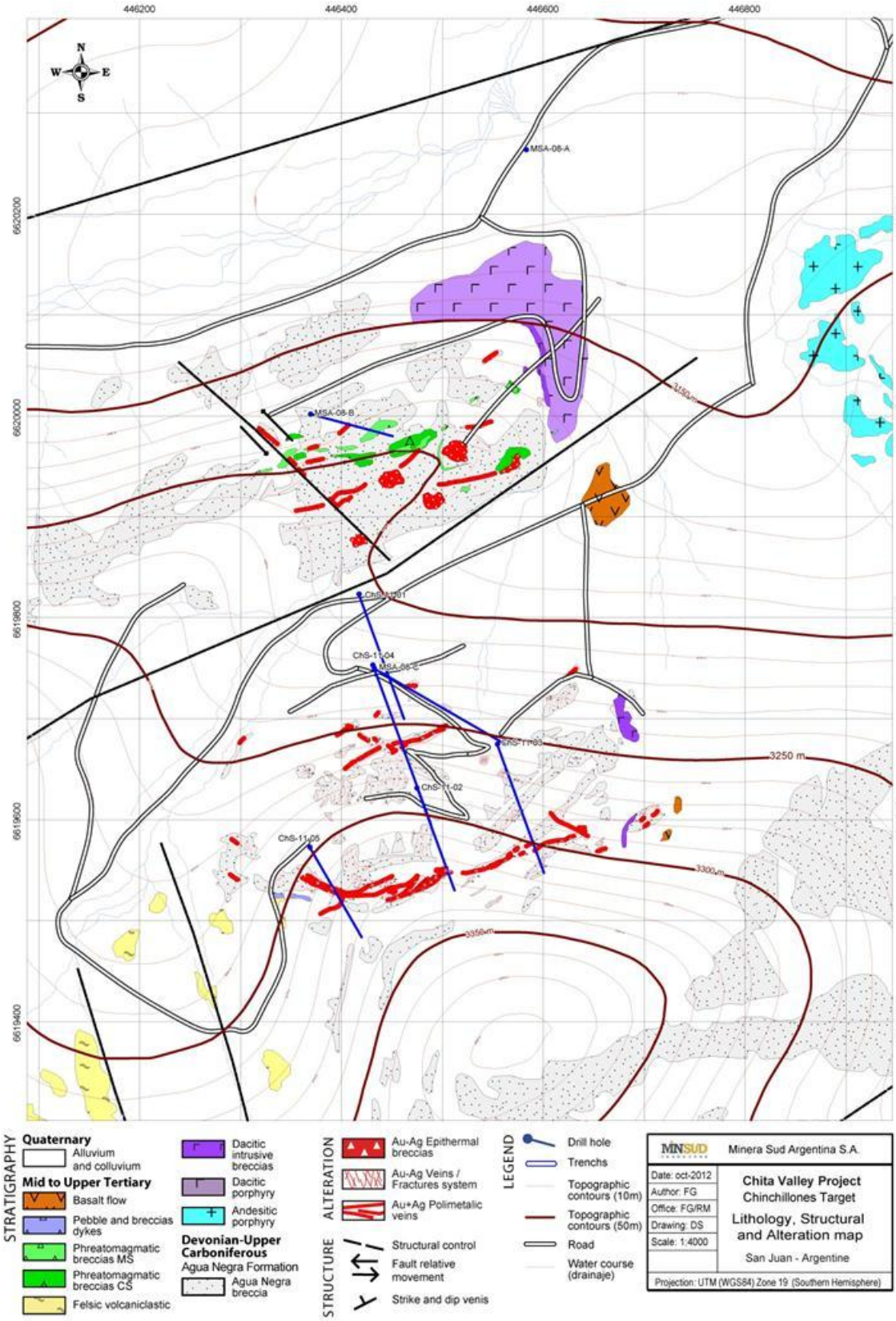
The Chinchillones Prospect is located on the Brechas Vacas Property and covers an area of approximately 2 square kilometres. In most respects the prospect is markedly similar to the Chita South Porphyry. The prospect comprises three successive stages as follows:

- an early stage of epizonal porphyritic intermediate to felsic intrusions and associated satellite veins, intruded into the sediments of the Agua Negra Formation,
- diatreme breccias as a result of contact of magma with a water table, associated with volcanic and volcaniclastic eruptions, and
- culminating with a shallow epithermal late stage.

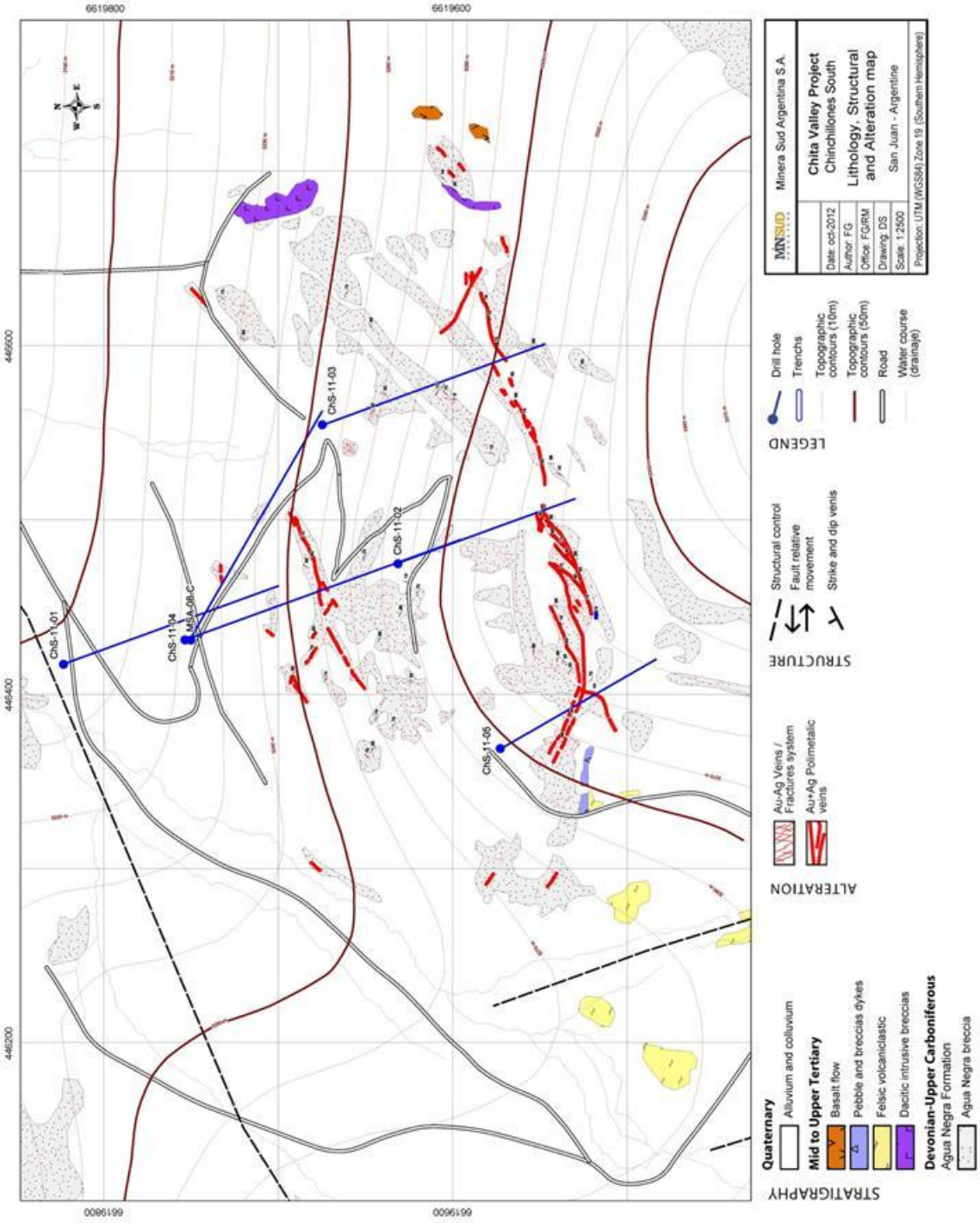
The area is structurally controlled by the Chita Valley (NW striking valley associated with a regional transfer fault), at a turning point or break in orientation.

There is very little information on alteration inside the Porphyry A due to a lack of bedrock exposure. The southern edge of the Chinchillones Hill has exposures along the contact between Porphyry A and the Agua Negra Formation. Argillic alteration as well as copper oxide staining is noted in this area. Drill hole MSA-08-A intersected 274 m of strongly argillic and phyllic altered porphyry.

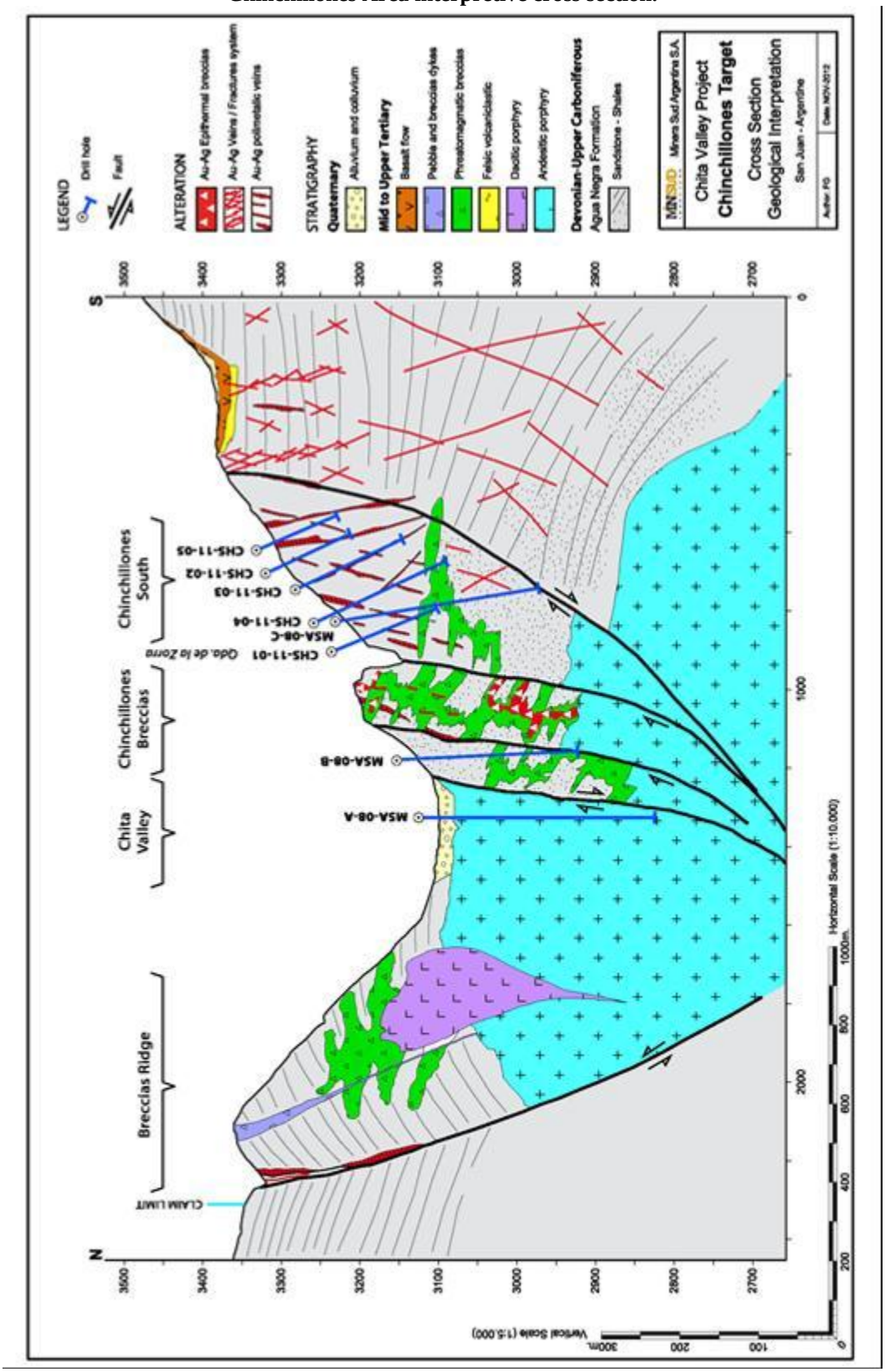
Chinchillones Area general geological map.



Chinchillones South detailed geological map.



Chinchillones Area interpretive cross section.



Several mineralization showings or exploration targets have been detected at present by different exploration methods, namely:

- Porphyry A Target: first detected by drilling by MSA (2011/04/28 Chita Valley Technical Review) is, except for a small exposure, located beneath recent alluvial deposits of the Chita Valley. The mineralization comprises low to moderate grade disseminations, stockwork and veinlets with widespread Mo + Cu mineralization along with localized Au + Ag values.
- Chinchillones breccias Target: is a complex breccia hosted in diatreme system, with a superimposed epithermal system. The sedimentary host rocks are extensively 'crackle' brecciated in a first stage related to the porphyry intrusion. A second brecciation, event comprises polymictic clast and matrix support breccias occupying irregular subhorizontal layers several meters thick. A third phase of brecciation is associated with shallow epithermal Au + Ag mineralization.
- Breccias Ridge" Target: located in the northern segment of the Chita Valley, and like the Chinchillones breccias target, is thought to be a diatreme breccia complex.
- "South Chinchillones" Targets: corresponds to a satellite Au+Ag+polymetallic veins system, with general direction NE structurally controlled. The structures develop in at least three corridors which have been preliminarily tested with drilling by Minsud Resources. (news 2011/09/14).

South Chinchillones Area Best Trench and Drilling Intersections

Hole # *Trench #*	**Intersection**			**Assays**			
	From	**To**	**Interval**	**Au**	**Ag**	**Cu**	**Mo**
	M	**m**	**m**	**g/t**	**g/t**	**%**	**%**
TChs12-11	17.0	19.0	2.0	3.71	5.0	0.01	Tr
TChs12-15	0.0	1.0	1.0	3.54	684.9	0.09	Tr
TChs 12-18	0.0	0.3	0.3	8.76	1,032.8	0.05	Tr
MSA08-B	42.0	43.0	1.0	3.40	60.10	n/a	Tr
MSA08-C	104.0	198.0	94.0	0.12	51.00	0.15	Tr
ChS11-01	112.0	114.0	2.0	0.18	105.00	1.34	Tr
ChS11-04	62.0	63.0	1.0	0.44	393.00	1.46	Tr
ChS11-05	135.0	137.0	2.0	0.40	136.00	n/a	Tr

Current work in progress

The current exploration program represents a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market. Although the Company is much better financed than many junior explorers, the current program reflects a careful go-slow approach designed to maintain the key assets that are its mineral properties and operational personnel. As a result the Company is currently concentrating primarily on the continuation of systematic detailed geological mapping and alteration studies with selective surface sampling and will defer outsourced programs such as geophysical surveys and drilling programs to a future period.

The strategy is to continue expanding the areas covered by detailed mapping to eventually include the entire Chita Valley Project area. The existing lithological, alteration, structural and mineralization studies centred on the Chinchillones and Chita South Porphyry areas are being expanded to include other nearby sectors (Chita North Porphyry, Breccias Ridge, Placetas Porphyry, Romina and Pinto) to eventually produce a coordinated exploration and mineral deposits model for the entire property.

Work is currently being done in the Chita North Porphyry and Pinto areas.

Chita North Porphyry

Detailed mapping and selective rock sampling began in this area in the latter part of 2012 and is nearly finalized at the current time.

Pinto Area

Detailed mapping and selective rock sampling began in this area in the latter part of 2012 and is continuing.

General Conclusions of the Chita Valley Project

The Chita Valley Project is located in the area of Iglesia, San Juan Province on the eastern flank of the Andean range. San Juan Province is the largest producer of precious and base metals in Argentina, primarily from the prolific El Indio belt.

MSA has consolidated four properties including Brechas Vacas, Chita, Chita II and Minas de Pinto into the Chita Valley Project that covers nearly 130 square kilometers of highly prospective terrain. The project is located 30 kilometres from the town of Bella Vista, Dto de Iglesia- Province of San Juan. At elevations under 3,700m ASL, the properties are easily accessible by four wheel drive vehicles along gravel roads and may be explored on a year round basis. The Company is conducting ongoing regional and detailed geological studies including lithological, alteration, structural and mineralization investigations, assisted by ground magnetic surveys and recent high-resolution Geoeye satellite imagery. This information, when integrated with historical and current surface channel sampling and drilling data, will be utilized to select priority areas for more sophisticated geophysical and/or geochemical investigations followed by drilling. The geological work will be completed in the first half of 2013 and then the company will need to obtain additional financing, either by issuing shares or seeking a Joint Venture Partner.

The Chita Valley exploration project is an early stage prospect with widespread indications of Cu+/-Mo+/-Au+/-Ag mineralization associated with a large Miocene age porphyry/diatreme breccia/epithermal vein complex. The project is a spatially and temporally zoned hydrothermal system that includes an early porphyry style of Cu+Mo mineralization, followed by components of high, intermediate and low sulphidation quartz-base metal +/- Au-Ag mineralization in various igneous and sedimentary lithologies and breccias, and finally a late chalcedony vein event.

Historically, from the mid-1960's to 2011, several core and reverse circulation drilling campaigns have been completed in various areas, with a cumulative total of about 10,700m. The main targets known at present include: the Chita Porphyry Stock South (Cu-Mo-Au-Ag); the Romina Vein, (Au-Ag-Cu); Chinchillones-Brechas Vacas (Au-Ag-base metals) and Minas de Pinto (Au-Ag) in various veins. Currently MSA is working on the completion of detailed mapping and sampling of new and historical targets including Chita Porphyry Stock North, Breccia's Ridge, Porphyry "A" in the Chinchillones area, and the Placetas porphyry.

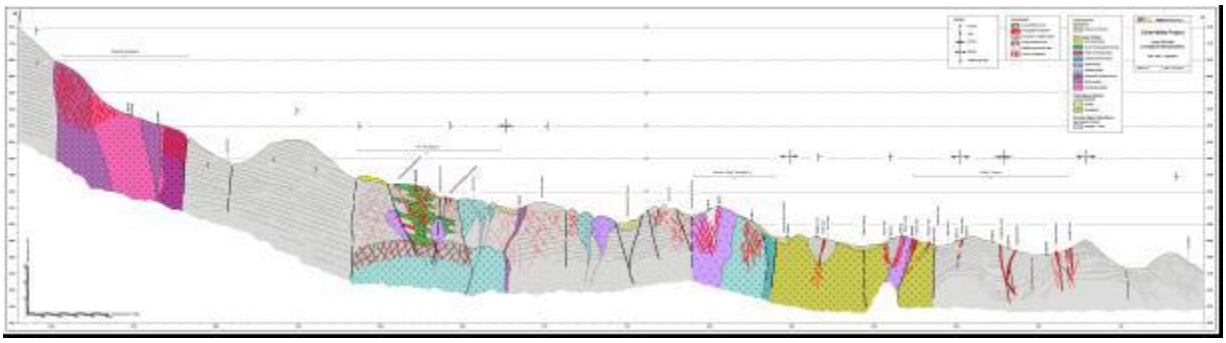
The combined exploratory methods enabled the mapping of various styles and intensities of the classical alteration types as well as a variety of epithermal veins, vein stockworks and breccias systems. The area exhibits a variety of overlapping styles of alteration, veining and mineralization. These enigmatic features indicate an extended temporal range of magmatic activity and potentially multiple stages of mineralization.

The large size of the property package coupled with the complexity of mineralization styles indicates a clear need for a careful and systematic approach to target definition. This has clearly not been a hallmark of much of the historical work completed on the property. As noted previously, Minsud's current exploration program represents a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market. Although Minsud is much better financed than many junior explorers, the current program reflects a careful go-slow approach designed to maintain the key assets that are its mineral properties and operational personnel. As a result Minsud is currently concentrating primarily on the continuation of systematic detailed geological mapping and

alteration studies with selective surface sampling and will defer outsourced programs such as geophysical surveys and drilling programs to a future period.

The current conceptual target model is illustrated by an interpretive more or less E-W cross section along the Chita Valley from the Placetas Porphyry area in the west to the Pinto area in the east. The full scale version may be viewed on the Company's website www.minsud.com. This evolving model covers a large tract (129.6 km^2) of highly prospective and underexplored mineral holdings. The Chita Valley Project has the key elements that are conducive to a great discovery. The geological setting, the structural model, the age and the type of the magmatism involved, the type and size of the alteration and the strong and widespread mineralization are all sound indicators of precious/base metal deposits of commercial interest. These targets run the full size range from large tonnage porphyry/epithermal deposits to small polymetallic or bonanza vein type deposits.

Conceptual Target Model Cross Section



II. LA ROSITA

A) Mining rights

The La Rosita prospect 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.

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.

On September 27, 2011, MSA and the La Rosita landowners entered into a permit agreement ("the Permit Agreement") in order for the Company to continue with the prospecting and exploration activities in La Rosita. The La Rosita exploration claim expired November 29, 2011. Prior to the expiration date, and in accordance with the required Argentine legal procedure, the Company requested within the La Rosita claim concession area, three mining claims (Manifestaciones de descubrimiento) named Alfa, Alfa II and Alfa III covering 9,970 has.

On April 20, 2012, Alfa II where the Mogote Hill area is located was granted to the Company by the Secretary of Mines, Santa Cruz Province. The other two Alfa and Alfa III are still pending for concession.

On September 27, 2012 the Permit Agreement signed with the landowners expired and has yet to be extended. Minsud expects to be able to return to work on the property after spring so long as it can finance the work program indicated by its technical team.

B) 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.

The Chon Aike Formation sequence is associated with lacustrine epiclastic rocks referred to as the La Matilde Formation, which is locally fossiliferous. These laminated tuffs and tuffaceous sediments interdigitate with the ignimbrites and do not represent a significant hiatus in volcanic activity, but rather the reworking of pyroclastic material between eruptions. Very rarely, they include 10 m thick, coarse, matrix-supported breccias, interpreted as debris-flow deposits.

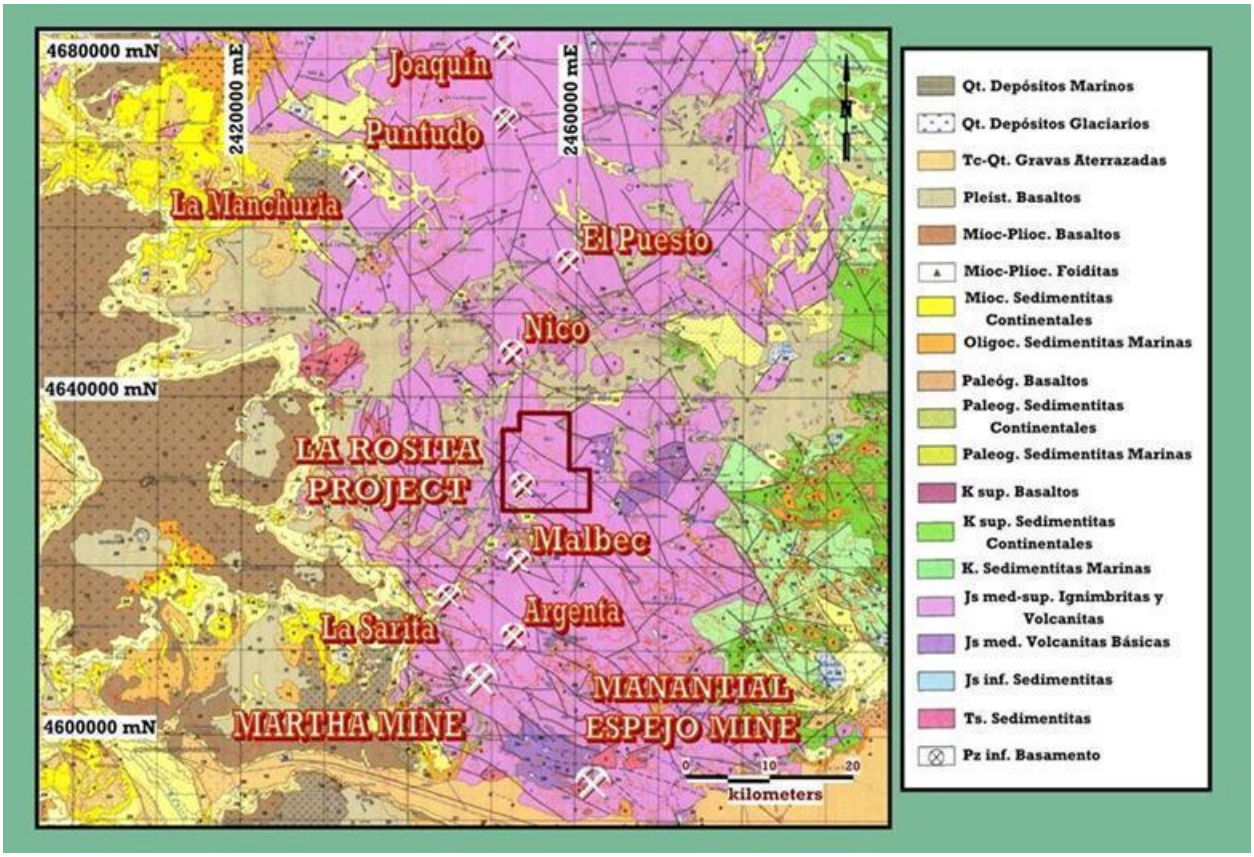
Rhyolitic dykes up to 20 m wide cross-cut the pyroclastic and epiclastic sequences. The dykes are sometimes zoned, being more feldspar-phyric in the core than at the margin, and are considered as feeders to the rest of the sequence. Rhyolite domes stand out above the local volcaniclastic plateau. They exhibit flow-banding, sometimes highly contorted, whilst upper parts of the domes are auto-brecciated.

There are extensive areas of basaltic andesites and andesites in the central part of the Deseado Massif. These rocks are collectively assigned to the Bajo Pobre Formation. Bajo Pobre is a slightly older formation

The above formations overlie the Roca Blanca Formation pyroclastic and epiclastic units of earliest Jurassic age.

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

Regional Geology Map (4969-I, Gobernador Gregores, SEGEMAR)



Exploration Program:

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.

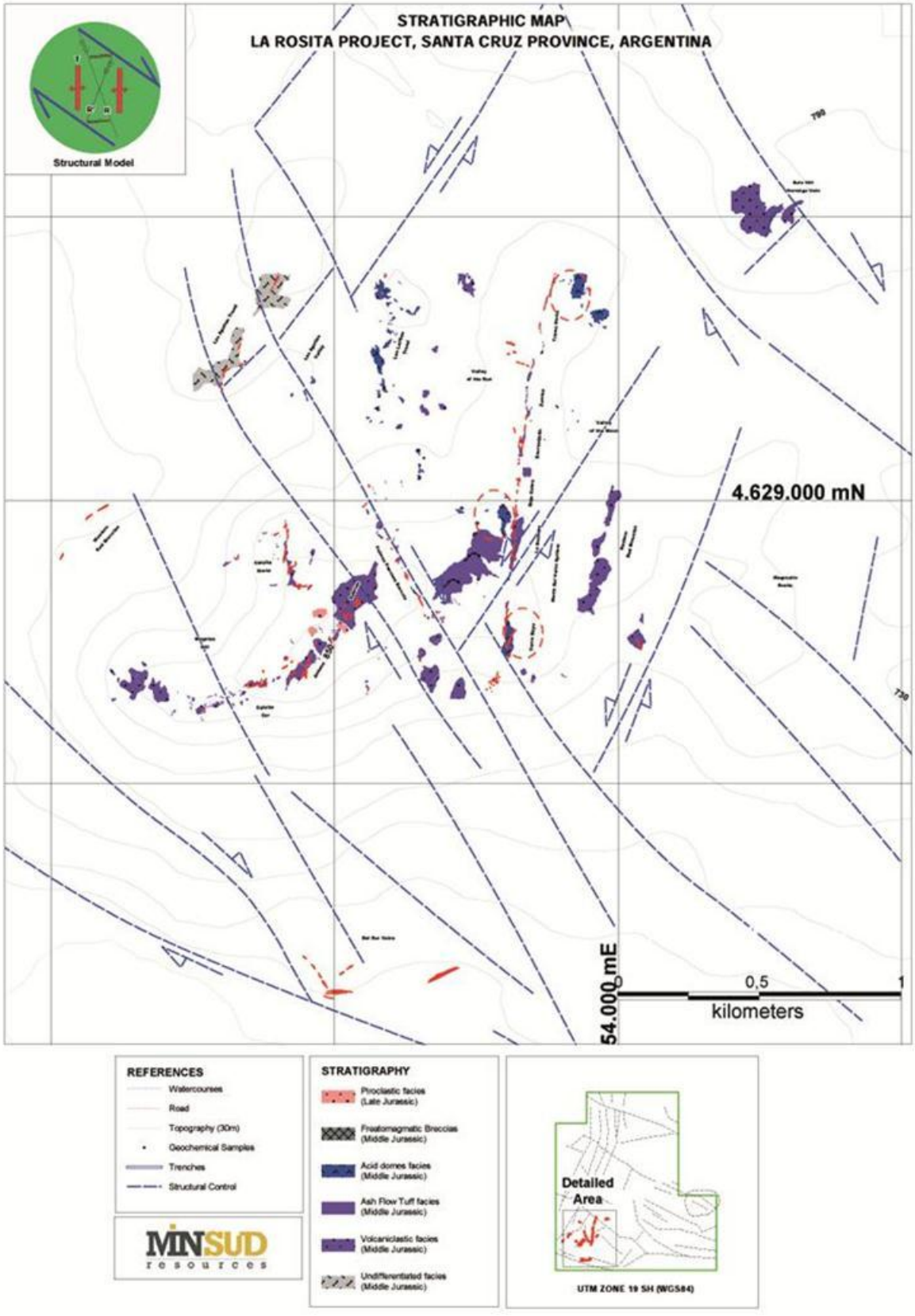
Initial reconnaissance work by the Company in the La Rosita exploration claim area located prospective lithological units, interesting alteration and base/precious mineralized outcrops and float in the Los Mogotes Hill sector. Systematic detailed geological mapping has been completed on part of the Alfa II mining claim, approximately 6 km^2 including Los Mogotes Hill. Bedrock exposures in the 6 km^2 area all belong to the Bahia Laura Group, and except for a small area of La Matilde Formation laminated tuffs on Los Mogotoes Hill, all lithologic units are typical of the Chon Aike Formation.

All samples were submitted to the Alex Stewart (Assayers) Argentina S. A. laboratory in Mendoza, Argentina for preparation and analysis. The laboratory is certified to ISO-9001 international standards. All geochemical grab and channel rock samples were analyzed for Au by fire assay/ AA finish, 50 g, (Au4-50) plus a 39-element ICP scan (AR-39).

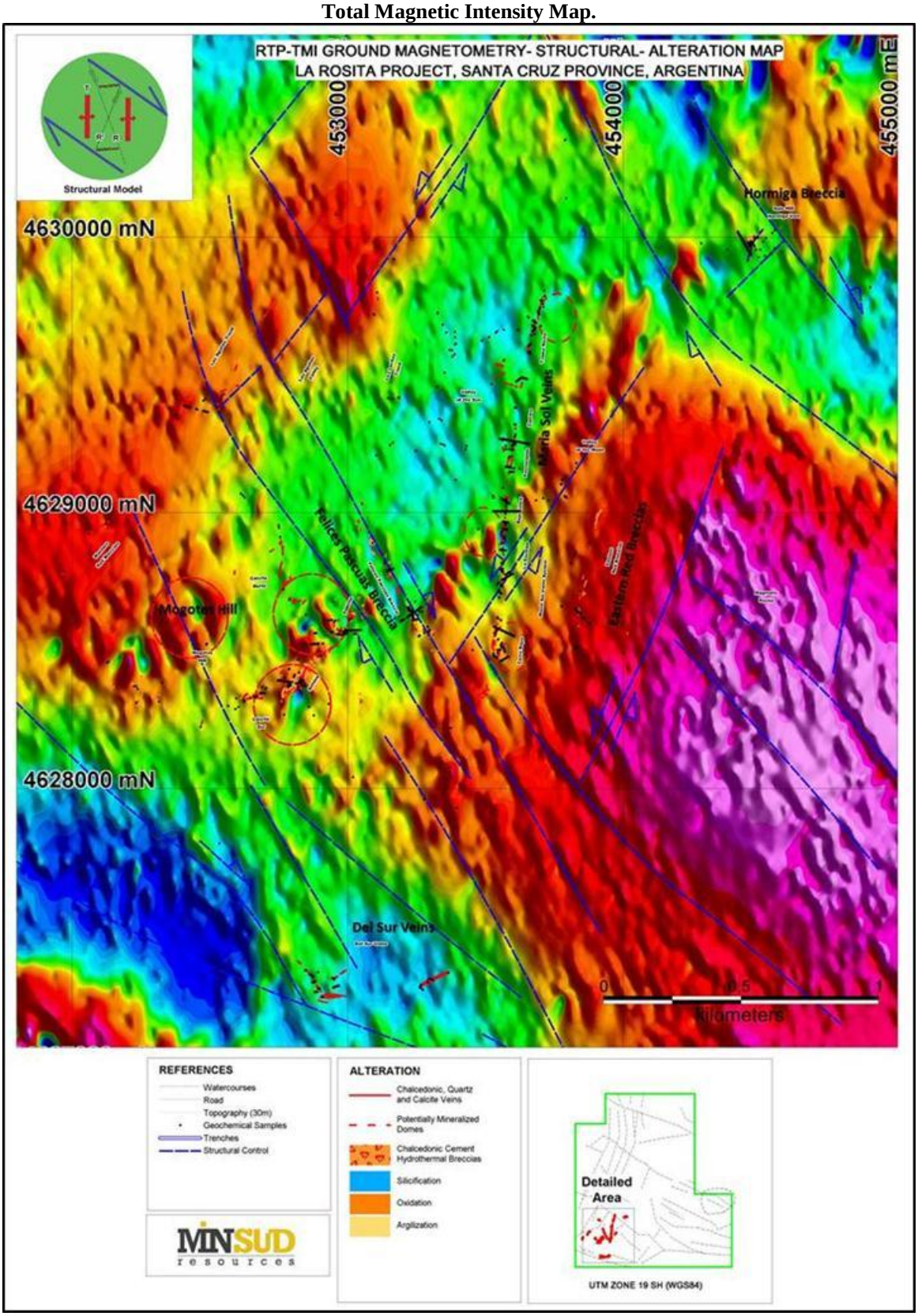
A ground magnetometer survey covering some 16 km^2 (320.3 line km) was completed in 2011 in the south-western part of the La Rosita exploration claim. The magnetic survey and mapping program has defined a conjugate shear structural system, with maximum extensional effort coincident with the general strike of the outcropping mineralized veins. The magnetic survey also revealed three magnetic high features, possibly linked to mineralized acid domes underlying the Mogotes Hill target.

The 2012 trenches did not encounter any mineralization sections that might be considered commercially significant in grade or thickness. However, the trench analytical data has confirmed the existence of widespread areas of geochemically anomalous silver and gold as well as much larger zones of anomalous base metals (Cu, Pb, Zn) as well as the pathfinders mercury and arsenic. Additionally anomalous values of tungsten and antimony were encountered in the system. It is believed that the currently outlined 4,000 m of combined veins still have potential for the discovery of high grade Ag-Au deposits similar to those being mined in the region (Targets: Mogotes Hill, Maria Sol Veins and Breccia Hormiga). Additionally acid domes related to hydrothermal alteration and disseminated sulphides are believed to have potential for discovery of Ag-Au low grade/ bulk tonnage mineralization (magnetic anomalies in the Mogotes Hill Target and acid domes related to the sub outcropping Maria Sol Target). Breccia complex systems that contain promising mineralization/alteration features have also been identified (Felices Pascuas Breccia and Eastern Red Breccias Targets).

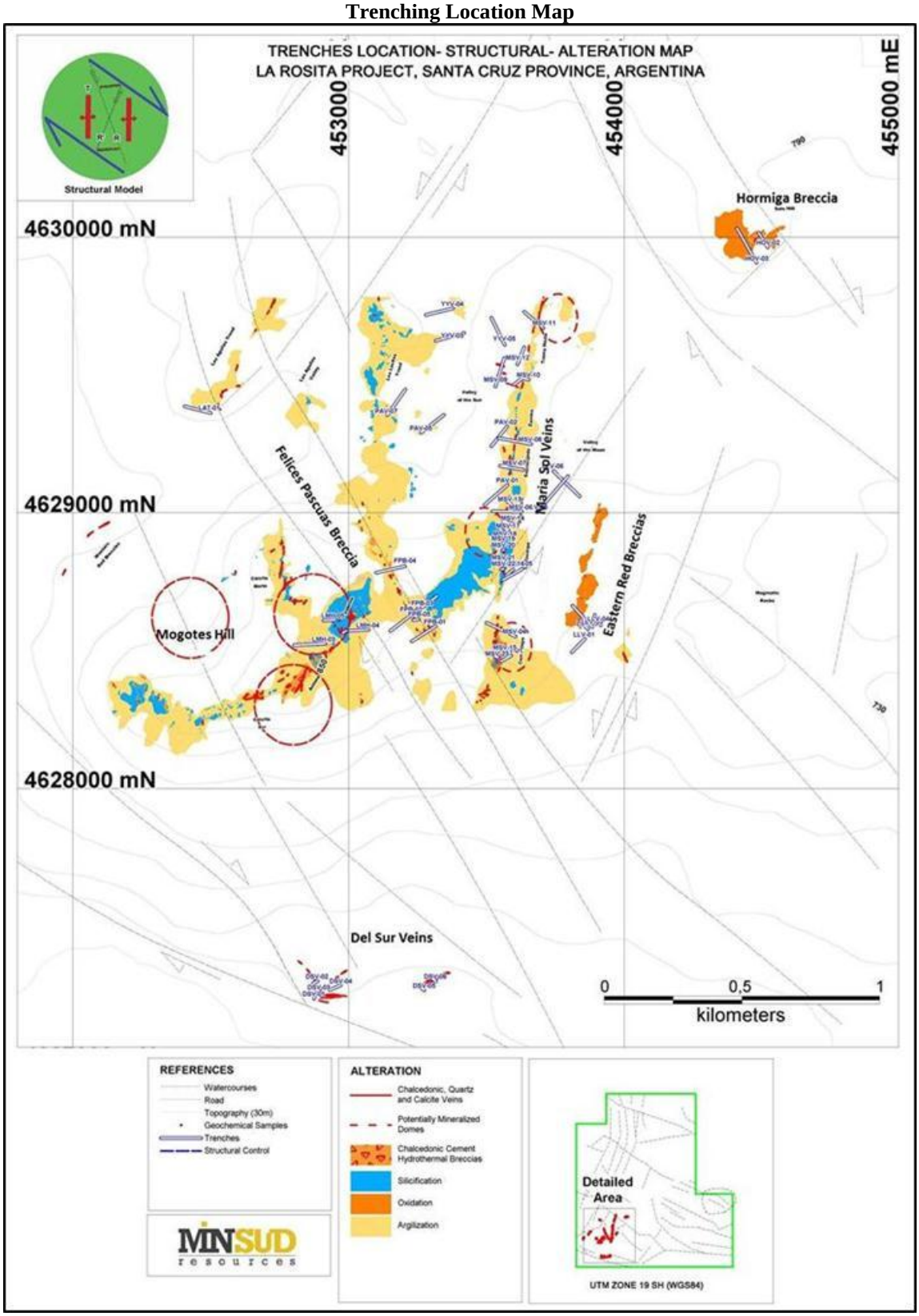
Stratigraphic Map



Total Magnetic Intensity Map.



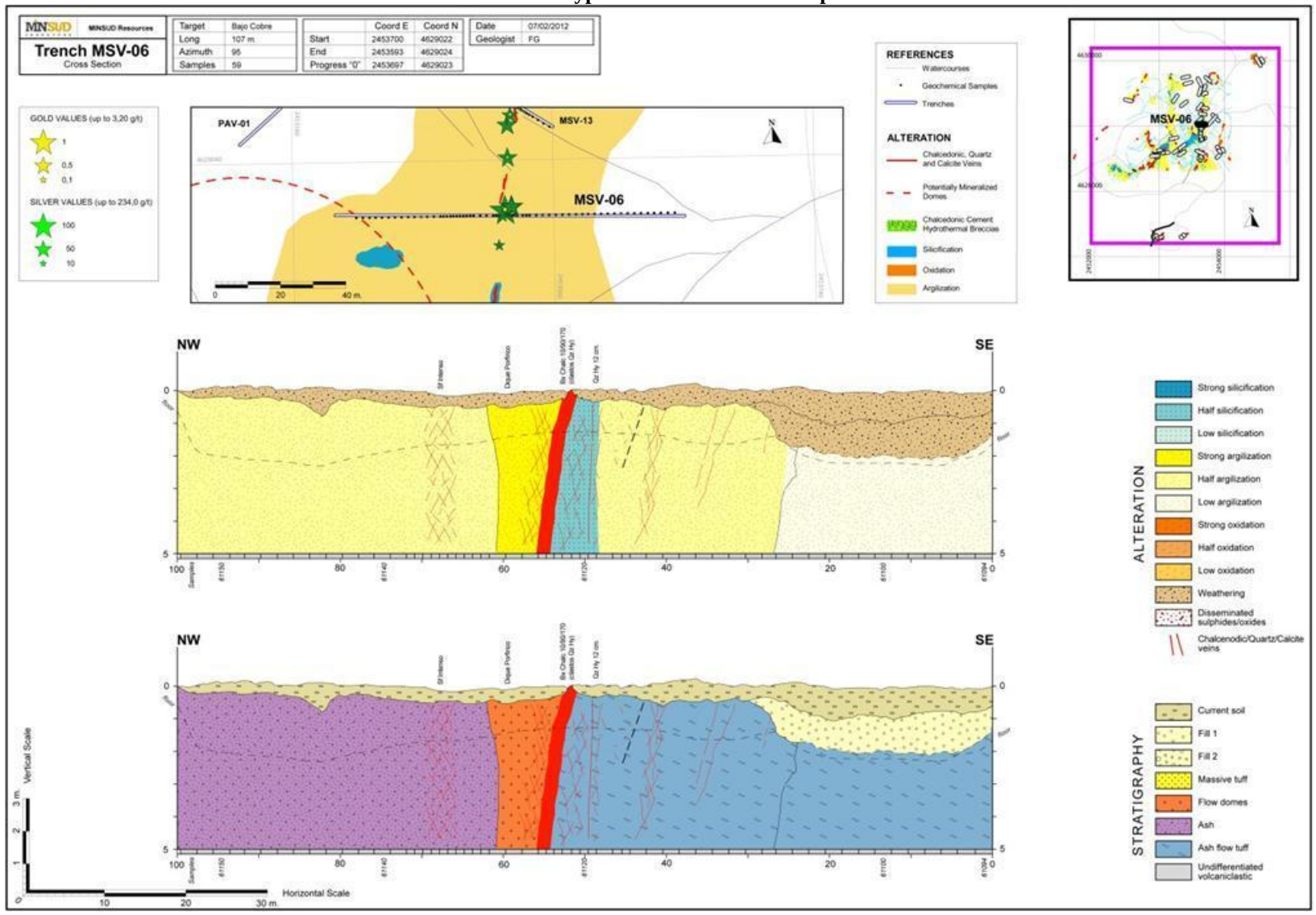
Trenching Location Map



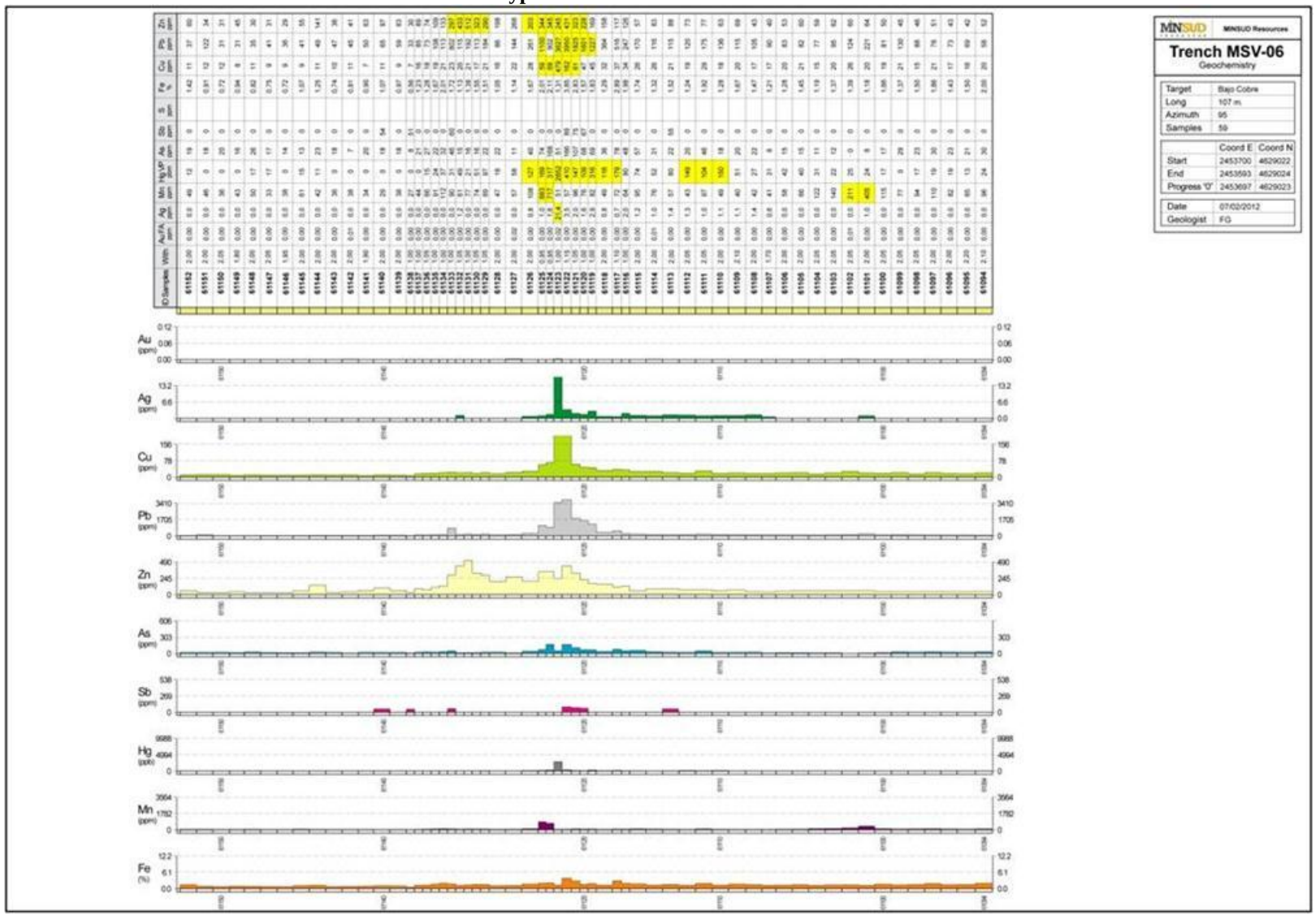
Tabulation of Trenching Highlights

Target	Sub Target	Trench	Width m	Ag ppm	Au ppm	Pb ppm	Cu ppm	Zn ppm	As ppm	Sb ppm	Hg ppb	Mn ppm
Mogotes Hill	Sabrina	LMH-04	2.80	**38.0**	**0.18**	1406	55	128	29	17	7219	60
		including	1.10	**71.0**	**0.40**	2102	63	206	21	0	15353	61
Felices Pascuas Breccia	NorthWest	FPB-04	0.80	3.0	**0.12**	2548	36	181	15	0	15654	40
	Central	Channel	1.50	3.8	**0.25**	2628	393	732	1054	351	10284	137
	Central	Channel	0.50	3.6	**0.14**	4948	96	230	134	158	16009	53
	Central	Channel	0.50	2.8	**0.39**	5915	366	1147	2319	1409	8981	199
	Central	Channel	0.60	**11.9**	**0.69**	3775	291	1186	1041	987	>20000	148
	Central	Channel	0.40	**14.6**	**0.57**	4160	281	1261	1291	1606	>20000	120
	Central	Channel	0.40	**52.8**	**0.42**	6434	138	142	1397	676	>20000	97
	SouthEast	FPB-05	1.00	2.1	**0.11**	1831	41	160	453	510	3413	65
	SouthEast	FPB-05	3.00	6.4	**0.29**	2628	122	374	561	580	14727	89
	SouthEast	FPB-05	1.00	3.4	**0.15**	1452	145	110	654	151	>20000	79
Maria Sol Veins System	Cerro Bayo	MSV-23	0.90	**10.0**	0.01	628	63	114	106	68	688	68
		Channel	1.00	**15.2**	0.01	7413	508	873	13	0	540	52
	La Escarpa	MSV-16	0.50	**17.2**	0.02	2368	56	309	46	96	2317	55
		MSV-05	0.50	**33.7**	0.04	1613	62	208	47	50	3518	150
	Bajo Cobre	MSV-06	1.00	**21.4**	0.02	3627	479	245	51	0	2852	51
		MSV-14	1.00	7.9	**0.10**	6743	77	300	213	171	879	130
	Encrucijada	MSV-07	1.20	1.6	**0.16**	420	42	343	95	0	350	79
	Zorrino	MSV-10	1.00	8.4	**0.11**	181	16	74	82	0	239	41
		Channel	1.00	**13.9**	0.09	2404	30	461	56	55	1543	96
	Tramo Norte	Channel	3.20	9.9	**0.29**	691	78	574	171	122	2620	100
Cerro Solo	Hormiga Breccia	Channel	0.50	**10.7**	0.09	222	61	97	911	363	2416	228
		Channel	1.00	0.0	**0.39**	19	8	17	37	149	28	114
		Channel	0.50	**12.9**	0.09	172	91	113	942	187	1339	155
Moon Valley	Eastern Red Breccias	LLV-03	0.80	3.1	**0.10**	266	89	290	643	191	325	899
Del Sur Vein	Del Sur Vein	DSV-03	0.50	**10.8**	0.00	45	16	71	57	0	1510	115

Typical Detailed Trench Maps

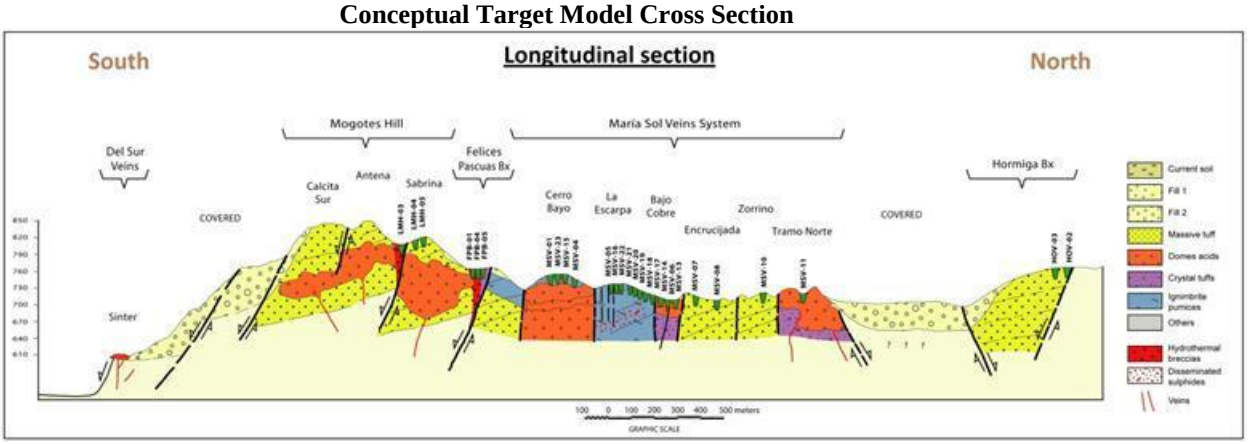


Typical Detailed Trench Geochemical Results



The combined exploratory methods enabled the mapping of various styles and intensities of the classical alteration types as well as a variety of chalcedonic silica and carbonate veins, vein stockworks and breccias systems. The area exhibits a variety of overlapping styles of alteration, veining and mineralization. These enigmatic features indicate an extended temporal range of magmatic activity and potentially multiple stages of mineralization.

Conceptual Target Model Cross Section



The magnetic survey and mapping program has defined a conjugate shear structural system, with maximum extensional effort coincident with the general strike of the outcropping mineralized veins. The magnetic survey also revealed three magnetic high features, possibly linked to mineralized acid domes underlying the Mogotes Hill target.

The combined features of lithology, structure, alteration, precious/base metal geochemistry, pathfinder element geochemistry, and magnetic features all indicate that the outcrops are possibly near or immediately above the boiling zone. The link between the main alteration system, the intrusion of acidic domes and shear stress field, create the right conditions for the formation of Ag-Au mineralization. The minor anomalies observed in precious and base metals, as well as the strong distribution of pathfinders conform to the mineralization model, and indicate an optimum erosion level, with potential for a discovery within 300 meters of surface.

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 plans to continue with the systematic multidisciplinary approach to target definition.

The next phase of target development will be an Induced Polarization/Resistivity survey preparatory to drill target definition.

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 year ended December 31, 2010 is derived from the audited financial statements of MSA.

	As at and for the Year Ended December 31, 2012 ($)	As at and for the Year Ended December 31, 2011 ($)	As at and for the Year Ended December 31, 2010 ($)
Other Income	6,254	11,302	10,236
Net loss for the year	(684,406)	(2,343,210)	(229,877)
Comprehensive loss for the year	(1,480,410)	(2,465,473)	(399,917)
Assets	6,475,129	6,592,830	2,004,394
Liabilities	524,177	302,265	43,744
Working Capital	918,651	2,260,363	145,114
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	8,769,179	7,972,902	3,470,805
Shareholders' Equity	5,950,952	6,290,565	1,960,650

PROJECT EXPENDITURES

Project expenditures for the year ended December 31, 2012 are as follows:

Year ended December 31, 2012	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	99,470	451,003	52,087	NIL	NIL	NIL	602,560
Road Construction	NIL	NIL	NIL	NIL	44,224	NIL	44,224
Assays	12,945	30,166	10,381	750	38,813	NIL	93,055
Geophysics	4,986	19,979	11,965	NIL	4,161	NIL	41,091
Labour and Technical Fees	98,604	317,500	53,957	1,873	142,471	NIL	614,405
Vehicles and Equipment	10,206	27,958	4,075	1,027	36,064	NIL	79,330
Travel and Lodging	7,713	57,707	3,842	541	35,752	NIL	105,555
Project Management	79,154	163,011	42,799	11,723	127,201	9,452	433,340
VAT Paid	8,560	23,728	6,192	1,095	27,805	NIL	67,380
Current Expenditures	**321,638**	**1,091,052**	**185,298**	**17,009**	**456,491**	**9,452**	**2,080,940**
Write-offs	NIL	NIL	NIL	NIL	NIL	(21,652)	(21,652)
Currency Translation Adjustment	(266,775)	(255,864)	(74,385)	(30,683)	(92,924)	(2,587)	(723,218)
Balance – beginning of year	**1,659,888**	**1,307,241**	**409,856**	**202,197**	**306,311**	**14,789**	**3,900,282**
Balance – end of year	**1,714,751**	**2,142,429**	**520,769**	**188,523**	**669,878**	**2**	**5,236,352**

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

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

Year ended December 31, 2011	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs	210,422	44,664	78,430	194	190	8,172	342,072
Drilling	198,717	404,431	100,223	NIL	NIL	NIL	703,371
Road Construction	50,119	54,271	27,253	NIL	NIL	NIL	131,643
Assays	25,960	49,379	1,091	NIL	10,429	NIL	86,859
Geophysics	NIL	NIL	NIL	NIL	32,777	NIL	32,777
Labour and Technical Fees	92,299	150,366	59,241	44,970	65,052	NIL	411,928
Vehicles and Equipment	24,292	38,248	8,623	4,323	13,664	NIL	89,150
Travel and Lodging	2,888	32,029	3,758	3,142	24,113	NIL	65,930
Project Management	112,334	123,050	47,136	12,092	54,606	10	349,228
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**
Currency Translation Adjustment	(53,139)	(25,288)	(9,157)	(9,576)	(6,682)	(412)	(104,254)
Balance – beginning of year	**930,080**	**330,558**	**63,697**	**145,873**	**98,496**	**7,019**	**1,575,723**
Balance – end of year	**1,659,888**	**1,307,241**	**409,856**	**202,197**	**306,311**	**14,789**	**3,900,282**

Brechas Vacas Property

During the year ended December 31, 2012, the Company spent $222,168 on the exploration of the Brechas Vacas property, a decrease of $350,357 from expenditures of $572,525 during the year ended December 31, 2011. The decrease is a result of extensive drilling activities carried out on the Brechas Vacas property during the year ended December 31, 2011 that did not occur during the year ended December 31, 2012.

The Company advanced the target by trenching and sampling, acquiring new Geoeye imagery for mapping in detail and contracting a ground magnetometer survey. A more detailed description of the exploration program can be found in section "Developments during the year ended December 31, 2012" in this MD&A.

Chita Property

During the year ended December 31, 2012, the Company spent $451,003 on the acquisition of the Chita property. The Company exercised its purchase option to acquire a 100% ownership interest in the Chita property in exchange for a series of cash payments totalling US$420,000. The Company spent $640,049 on exploration expenditures, a decrease of $317,258 compared to expenditures of $957,307 incurred during the year ended December 31, 2011. The Company had significant drilling activity during the year ended December 31, 2011 that did not occur during the year ended December 31, 2012.

The Company acquired a new Geoeye imagery and contracted a ground magnetometer survey. It is also doing significant progress by trenching the Chita porphyry using mechanical saw and sampling. A more detailed description of the exploration program can be found in section "Developments during the year ended December 31, 2012" in this MD&A.

Minas de Pinto Property

During the year ended December 31, 2012, the Company spent $133,211 on the exploration of the Minas De Pinto Property, a decrease of $143,675 from expenditures of $276,886 incurred during the year ended December 31, 2011. While the company continued to invest in the Minas de Pinto properties through the performance of geophysical and sampling work, and the payment of an installment pursuant to the Minas de Pinto Agreement, overall expenditures were higher during the year ended December 31, 2011 because of drilling work performed during the year.

The Company acquired a new Geoeye imagery and contracted a ground magnetometer survey as more extensively described in section "Developments during the year ended December 31, 2012" in this MD&A. After completing the ongoing trenching at Chita porphyry, the Company expects to continue mapping and trenching on the Minas de Pinto Property.

San Antonio Property

The Company spent $17,009 on the exploration of the San Antonio Property during the year ended December 31, 2012. This represents a decrease of $48,697 compared to expenditures of $65,706 incurred during the year ended December 31, 2011.

La Rosita Property

During the year ended December 31, 2012, the Company spent $456,491 on the exploration of the La Rosita Property, an increase of $242,184 when compared to expenditures incurred during the year ended December 31, 2011. As the Company has recently increased the resources dedicated to the La Rosita property compared to 2011, expenditures related to mechanical trenching, sampling and road construction have increased, which represent the significant expenditures incurred by the Company during the year ended December 31, 2012.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the year ended December 31, 2012, the Company incurred expenses of $690,660. Expenditures decreased by $1,663,852 when compared to expenditures of $2,354,512 for the year ended December 31, 2011. The significant decrease in total expenses is primarily the result of the completion of the Minsud Transaction during the year ended December 31, 2011. The Company incurred significant transaction costs that were expensed during that period. The Company also had a reduced amount of stock-based compensation expense during the year ended December 31, 2012 when compared to the year ended December 31, 2011.

The Company incurred professional and regulatory fees of $331,020 during the year ended December 31, 2012. 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. Professional and regulatory fees increased by $6,684 during the year ended December 31, 2012 when compared to the year ended December 31, 2011.

Expenses related to stock-based compensation for the year ended December 31, 2012 were $198,863 and relate to the continued vesting of options granted during the year ended December 31, 2011 as well as vesting related to the options granted during the year ended December 31, 2012. This amount represents a decrease of $226,269 when compared to stock-based compensation expense of $425,132 incurred during the year ended December 31, 2011. The decrease is related to the fact that the Company granted 3,360,000 stock options to directors, officers, employees and service providers during the year ended December 31, 2011 resulting in stock-based compensation expense for options vesting in those periods. During the year ended December 31, 2012, the Company granted 510,000 stock options to directors, officers, employees and service providers.

Marketing and communications expenses of $49,314 were incurred by the Company during the year ended December 31, 2012. These amounts include costs related to marketing and increasing investor awareness of the Company. Marketing and communications expenses increased by $15,699 when compared to similar expenses incurred during the year ended December 31, 2011.

The Company incurred general and administrative expenses of $111,463 during the year ended December 31, 2012, representing a decrease of $64,169 from similar expenses of $175,632 incurred during the year ended December 31, 2011.

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	2012				2011			
For the quarters ended	Dec	Sep	Jun	Mar	Dec	Sep	Jun	Mar
	$							
Net Revenues	1,418	670	1,518	2,648	3,662	4,704	1,577	1,359
Net loss for the period	(140,920)	(161,493)	(192,197)	(189,796)	(222,774)	(236,578)	(1,794,210)	(89,648)
Comprehensive loss for the period	(326,361)	(555,940)	(262,693)	(335,416)	(389,340)	(53,131)	(1,849,349)	(173,653)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)	(0.01)

Factors affecting quarterly results

Fluctuations in quarterly results are caused by stock-based compensation related to the issuance of stock options, costs and fees related to the Qualifying Transaction, exchange rate fluctuation of the Argentine peso and the increase in the level of exploration activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $918,651 as at December 31, 2012, compared to working capital of $2,260,363 as at December 31, 2011. As at December 31, 2012, the Company held cash and cash equivalents of $1,063,920 versus $2,445,162 as at December 31, 2011.

The Company's strong cash and cash equivalents position as at December 31, 2011 reflects the Company's raise of gross proceeds of $5,509,000 through the Brokered Offering concurrently with closing the Qualifying Transaction (see *"Completed Qualifying Transaction and Brokered Offering").*

On June 18, 2012 the Company completed a non-brokered private placement (the "NBPP"), raising gross proceeds of $970,001. Pursuant to the NBPP, Minsud issued 5,105,266 units at a price of $0.19 per unit with each unit comprising one common share of the Company and one-half of one common share purchase warrant. Each whole warrant allows the holder to purchase one common share at a price of $0.35 for a period of 24 months from the closing date of the NBPP. Upon completion of the NBPP, Minsud had 39,738,266 common shares issued and outstanding.

The Company intends to use the proceeds to support the ongoing business plan, primarily to continue developing exploration targets at the Chita Valley and La Rosita projects and for general working capital purposes.

While running its business plan as it was presented and approved, management is continually monitoring financial market conditions and cash availability. Since early in the third quarter of fiscal 2012, the Company was prepared to preserve its cash position according to market perspectives. Therefore, during the third and fourth fiscal quarters, management has concentrated its field work efforts on trenching, mapping and sampling on the identified main targets at Chita Valley Project while delaying contractors' field work according to available financing. The Company maintained this approach throughout the fourth quarter of fiscal 2012.

The acquisition of the Chita property with medium term financing and the rescheduling of payments pursuant to the Pinto Agreement to increase the staggered payments and extend the term for exercising the purchase option, have significantly reduced the Company's payment commitments for 2013 and particularly for 2014. These commitments are now US$295,000 and US$285,000, respectively.

Subsequent to the year ended December 31, 2012, the Company made the first of the ten semi-annual payments of US$35,000 ($35,913) related to the acquisition of the Chita property.

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 and the economic recovery of worldwide capital markets.

Share Capital

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

Shares outstanding	39,738,266
Options outstanding	3,795,000
Warrants outstanding	16,325,133
Broker warrants	919,900
Underlying Broker warrants	919,900
Put and Call Option	790,000
TOTAL	**62,488,199**

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	3,060,000	-	3.44	June 9, 2016
$0.40	168,750	56,250	3.82	October 26, 2016
$0.19	127,500	382,500	4.63	August 17, 2017
	3,356,250	438,750	3.55	

Warrants Outstanding

During the period ended December 31, 2012, the Company issued 2,552,633 warrants under the NBPP as discussed previously. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.35 per share for a period of 24 months from the date of the private placement.

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
$0.60	13,772,500	0.36	May 10, 2013
$0.35	2,552,633	1.46	June 18, 2014
	16,325,133	0.53	

Broker Warrants

As at the date of this MD&A the Company has 919,900 broker warrants issued and outstanding. Each broker warrant entitles the holder to purchase one Private Placement Unit of the Company at $0.40 per Private Placement Unit at any time on or before May 10, 2013. Each Private Placement Unit consists of one common share and one non-transferible warrant, with each underlying warrant entitling the holder thereof to purchase one additional common share at $0.60 per common share.

COMMITMENTS AND CONTINGENCIES

Mineral Property Commitments:

In consideration for the transfer of ownership of the Chita property, the Company is required to pay a total of US$420,000, payable as follows: US$30,000 payable in cash within ten days from the date on which the property owners accepted the Company's offer to exercise the purchase option; US$40,000 payable in cash simultaneously with the execution of the public deed evidencing the transfer of the Chita Property to the Company; and US$350,000 payable in ten semi-annual cash payments of US$35,000 each, the first of which shall be payable six months after the date of execution of the above mentioned public deed. As of the date of these financial statements, the Company has made the first two payments totalling US$70,000 ($68,768) and is in compliance with their payment comittments. The payments related to the exercise of the purchase option will be made as follows (all amounts are in United States Dollars):

2013	$	70,000
2014	$	70,000
2015	$	70,000
2016	$	70,000
2017	$	70,000

Subsequent to the year ended December 31, 2012 the Company made the first of ten semi-annual payments of US$ 35,000 ($35,913).

A summary of the Company´s outstanding mineral property commitments, pursuant to property option agreements, as at December 31, 2012 is as follows (all amounts are in United States Dollars):

Staggered payments	**Year**	**Brechas Vacas**	**Minas de Pinto**	**Total**	**Brechas Vacas**
Payable in:			**Cash**		**Shares**
		$	$	$	$
	2013	100,000	125,000	225,000	40,000
	2014	140,000	75 ,000	215,000	40,000
	2015	170,000	150,000	320,000	60,000
	2016	200,000	150,000	350,000	80,000
Total staggered payments		**610,000**	**500,000**	**1,110,000**	**220,000**

Option payments	**Year**	**Brechas Vacas**	**Minas de Pinto**	**Total**	**Brechas Vacas**
Payable in:			Cash		Shares
		$	$	$	$
	2017	535,000	1,335,000	1,870,000	535,000
Total property payments		**1,145,000**	**1,835,000**	**2,980,000**	**755,000**

If the Company is unable to obtain sufficient United States Dollars to make the cash payments included above as a result of regulations imposed by the Argentine government as they relate to the purchase of foreign currencies, each of the Company's agreements related to the Brechas Vacas and Minas de Pinto properties, as well as the financing obtained for the acquisition of the Chita property, include clauses that allow the payments to be made in an equivalent amount of Argentinean Pesos. Any amounts paid in Argentinean Pesos will be calculated using the official foreign exchange rate of the day immediately prior to the payment date as published by the Banco Nacion Argentina.

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, 2012, the Company has drilled 3,360 m and the outstanding balance of the advance payment has been reduced to $60,052.

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. The services agreement continues in effect and the parties propose to formally renew it in due course. 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.

On January 30, 2013, the Company entered into a new services agreement with its President and CEO with the same compensation terms and change of control provisions as the original services agreement discussed above. The new services agreement continues in effect until June 30, 2013 and can be extended by the Company pursuant to the same terms and conditions. The President and CEO can terminate the agreement without consequence by giving 90 days previous notice to the Company and MSA.

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 exploration program and a daily fee of $1,000 for exploration field work. Pursuant to an amendment to this agreement signed by both parties on May 4, 2012, the monthly fees charged under this agreement can range between a minimum of $6,000 per month and a maximum of $8,500 per month. The

agreement expires January 18, 2013, and can be extended at the discretion of the Company's Board of Directors.

On February 3, 2013, the Company entered into a new consulting agreement with the Company's Vice-President (Exploration) containing substantialy the same compensation terms to the consulting agreement discussed above. The new consulting agreement shall be for a period of six months expiring June 30, 2013, and can be terminated by either party at any time by providing 60 days advance notice to the other party.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2012, the Company incurred the following related party transactions:

i) Transactions

a. A total of $4,496 in office rent expense and other minor expenses were charged by a shareholder of the Company.

b. A total of $139,755 was charged by the CEO of the Company.

c. A total salary of $48,693 was charged by an individual related to the Company's CEO.

d. A total of $47,915 of accounting and regulatory compliance fees and $24,000 of CFO fees was charged by an accounting firm in which the Company's CFO is a partner.

e. A total of $90,666 was charged by the Company's Vice-President (Exploration).

f. During the year ended December 31, 2012, the Company granted 275,000 stock options to key members of mangement. The amount of stock-based compensation expense for the year ended December 31, 2012, related to stock options granted to key members of management was $163,291.

ii) Period-end Balances

a. As at December 31, 2012, accounts payable and accrued liabilities included $5,328 payable to the Company's CEO.

b. As at December 31, 2012, accounts payable and accrued liabilities included $30,525 payable to accounting firm in which the Company's CFO is a partner.

c. As at December 31, 2012, accounts payable and accrued liabilities included $6,500 payable to the Company's Vice-President (Exploration).

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 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.

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.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of the 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 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
2012 – Q1	1,788	1,590	1,661	37	29	32
2012 – Q2	1,675	1,538	1,570	33	27	27
2012 – Q3	1,781	1,566	1,781	35	27	35
2012 – Q4	1,790	1,648	1,664	35	30	30

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, 2013. 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

i) 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 option payments in United States Dollars pursuant to the exploration and purchase option agreements signed in respect of the Brechas Vacas and the Minas de Pinto Agreements as well as the financing of the Chita property acquisition. In all of these agreements MSA has incorporated a provision so that if MSA is not able to acquire United States Dollars due to Argentine government regulations in force, MSA will be allowed to deliver such payments in an equivalent amount of Argentine Pesos by converting the amounts owed in United States Dollars to Argentine Pesos at the official rate reported by Banco Nacion Argentina the day before the payment day.

On March 1, 2012, MSA 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 received consent, and subsequently acquired United States Dollars in order to discharge its obligations for fiscal 2012.

Since May 2012 the Argentine Government increased their level of control over the exchange of foreign currencies. All payments owed during 2012 in United States Dollars have been made in United States Dollars. During 2013 the Company paid the first semi-annual instalment relating to the Chita property financing in US funds and Argentine pesos at the official rate in accordance with the Chita Agreement.

ii) Chubut Province – New mining activities regulation raised in the Provincial Legislature:

On June 28, 2012 the governor of the province of Chubut, Argentina raised for consideration by the provincial legislature, a draft law which if passed, will regulate oil and gas and mining activities in the

province. The most relevant aspect of this draft law for the Company is that it introduces a series of new regulations that tend to increase the current royalties and impose the province's economic participation in mining projects through Petrominera, the Provincial State Agency.

On October 2, 2012, through the note N° 35/2012, this draft law returned to the governor for further consideration and so far hasn´t yet been filed back for discussion and approval.

The province had previously enacted the law N° 5001 banning the exploitation of minerals through open pits and the use of cyanide for extracting gold.

There are currently two world class projects in the Province which have been halted, Cordon de Esquel – Yamana and Navidad- Pan American Silver. Both are waiting for definitive rules and legislation for industry development. Yamana also requires a social licence from the neighboring town of Esquel that so far, has expressed an anti-mining position.

Regarding the Company's Carlos prospect (24,213 has), located in the nearby town of Paso del Sapo, Plato Central – Gastre Fault, we are more positive in the sense that mining activities have a higher probability of being allowed in the near future.

With regard to the Putrachoique prospect, located to the west of Chubut River, mining activities in this region were suspended for two consecutive periods of 36 months. Although mining activities were no longer suspended once the second period of suspension was completed, the Company believes that further clarifications are needed before committing new investments.

Management has evaluated this situation and considered that the environment created for mining activities is not safe enough to warrant a return to the field as a result of the anti-mining legislation existing in the province mentioned above and the high possibility that new restrictions could be implemented in the close future, and, possibly, a reduced likelihood of obtaining access permits from the landowners within this framework.

The lack of investment in these two areas, Carlos and Putrachoique, may increase the risk of license cancelation by the Government Secretary of Mines. The Company is making all reasonable efforts to preserve these properties without risking a significant investment while waiting for more transparent and improved legislation for exploring in a province with highly prospective geological features. The Company does not consider these properties to be material to its exploration program.

(iii) Rio Negro Province:

Even though the province is looking more attractive to mining activities after revoking certain anti-mining laws, establishing a positive relationship with landowners is still very difficult.

The Company has recently been notified that one of the main landowners where the Calqui project is located, has filed opposition to any mining activity on his ranch. MSA intends to initiate negotiation to rectify this situation to further file and request permits for Environmental Report approval and return to work on the property.

The Calqui project is located in the mining district called "Calcatreu" where Pan American Silver controls the Calcatreu gold and silver advanced exploration. The Company does not consider this property to be material to its exploration program.

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 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.