Management's Discussion and Analysis of the Unaudited Condensed Interim Consolidated Financial Statements
For the Six Months Ended June 30, 2013

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Six Months Ended June 30, 2013

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 six months ended June 30, 2013.

This MD&A has been prepared as at August 28, 2013 unless otherwise indicated.

This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended June 30, 2013 (the "Financial Statements"), including the related note disclosure. The Financial Statements are presented on a consolidated basis and include the accounts of the Company, its wholly-owned subsidiary Minsud Argentina Inc. ("MAI"), and MAI's subsidiary Minera Sud Argentina S.A. ("MSA"), an Argentinean company in which MAI has a 98.45% 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, such as the Company's Filing Statement dated April 27, 2011.

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

Completed Qualifying Transaction and Brokered Offering

Pursuant to a definitive transaction agreement dated April 27, 2011, between the Company (formerly Rattlesnake Ventures Inc.), Minsud Resources Inc. ("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 1830835 Ontario Inc. ("CPC Subco"), to form MAI, (the "Minsud Transaction" or "Qualifying Transaction").

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

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

Upon completion of the MSA Swap, the Company entered into a put and call option agreement with respect to the remaining 542,600 shares of MSA (representing 5% of the total number of issued and outstanding shares of MSA) which included an irrevocable covenant to not divest or encumber such shares. The put and call option agreement allows the remaining 542,600 shares of MSA to be exchanged at the same ratio used for the MSA Swap (790,000 common shares of the Company) at the option of either party, at any time.

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

During the period ended June 30, 2013, the 13,772,500 Warrants and 919,900 Broker Warrants expired unexercised.

Principal Business of the Company

The Company was incorporated under the *Business Corporations Act (Ontario)* ("OBCA") on October 11, 2007, and is focused on the business of mineral and resource exploration and development in Argentina through its 98. 45% controlled indirect subsidiary MSA.

Upon completion of the Minsud Transaction, MAI owned 95% of the issued and outstanding shares of MSA. On May 16, 2011, MAI subscribed for an additional 9,148,000 common shares of MSA for consideration of $2,169,377. On December 12, 2011, MAI subscribed for an additional 7,740,000 common shares of MSA for consideration of $1,859,823. On June 18, 2012, MAI subscribed for an additional 4,254,785 common shares of MSA for consideration of $970,001. On June 24, 2013, MAI subscribed for an additional 3,000,000 common shares of MSA for consideration of $585,757. As at June 30, 2013, MAI held 34,452,185 of the 34,994,785 outstanding common shares of MSA, representing an ownership interest of 98.45%.

MSA has a 100% interest in the Chita property, a 50% beneficial interest in the Brechas Vacas Trust which holds title to the Brechas Vacas properties, holds the Chita II claim, and is a party to certain 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.

The Company is advancing its La Rosita (9,970 ha) gold and silver project at the Deseado Massif – Santa Cruz Province, República Argentina and also holds a 100% owned portfolio of selected early stage prospects which includes approximately 50,000 hectares distributed within the Provinces of Santa Cruz (18,000 ha), Chubut (23,000 ha) and Rio Negro (9,000 ha), República Argentina.

Current Board Members

As of the date of this MD&A, the members of the Company's Board of Directors 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.

Update on the Company's Business Plan

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

Management is expanding its downsizing plan that includes maintaining core people in the office, while lowering the compensation package for the foreseeable future as discussed in the Operating Activities and Financial Performance section found later in this MD&A

The Company has also delayed any outsourced supplies while concentrating its limited funds for investment in its systematic exploration program on the Chita Valley Project.

Management is also looking for potential joint-venture partners and is paying attention to any business combinations that can contribute to the creation of value and expansion of the Company's business.

DEVELOPMENTS DURING THE SIX MONTHS ENDED JUNE 30, 2013

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 step 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 Secretary of Mines in the San Juan Province.

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 held by the Brechas Vacas Owners 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 to purchase 100% of the Minas de Pinto mining rights. 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 basically 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.

The wild life research allowed the identification of 11 species within the categories of interest of conservation according to national and international organizations; however none of them are in imminent danger or are threatened by current global conservation efforts. These species are in Category II of CITES and are mostly related to the risk of trafficking. Regarding the research of vegetation, there were also eight species identified within the conservation category.

During the period ended June 30, 2013, MSA filed the third actualization of the Environmental Impact Report for the Brechas Vacas and the second for the Minas de Pinto properties. Both were filed within the legal term and are now pending for approval from the Ministry of Mines of San Juan Province.

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

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

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

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** 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** overlapping the Chile-Argentina border. 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.

Minsud 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.

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.

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. Minsud'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.

Exploration Work Performed by MSA During 2006 to 2012

After acquiring the Chita, Breccas Vacas and Chita II Properties in 2006, MSA compiled historic work from various sources and completed two field programs in the summers of 2007 and 2008. The main ongoing objective of MSA was to define the geology, geochemistry, mineralogy, mineral paragenesis of

the region in order to define the essential characteristics of the volcanic vent/porphyry system model as a guide to ongoing exploration.

The 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).

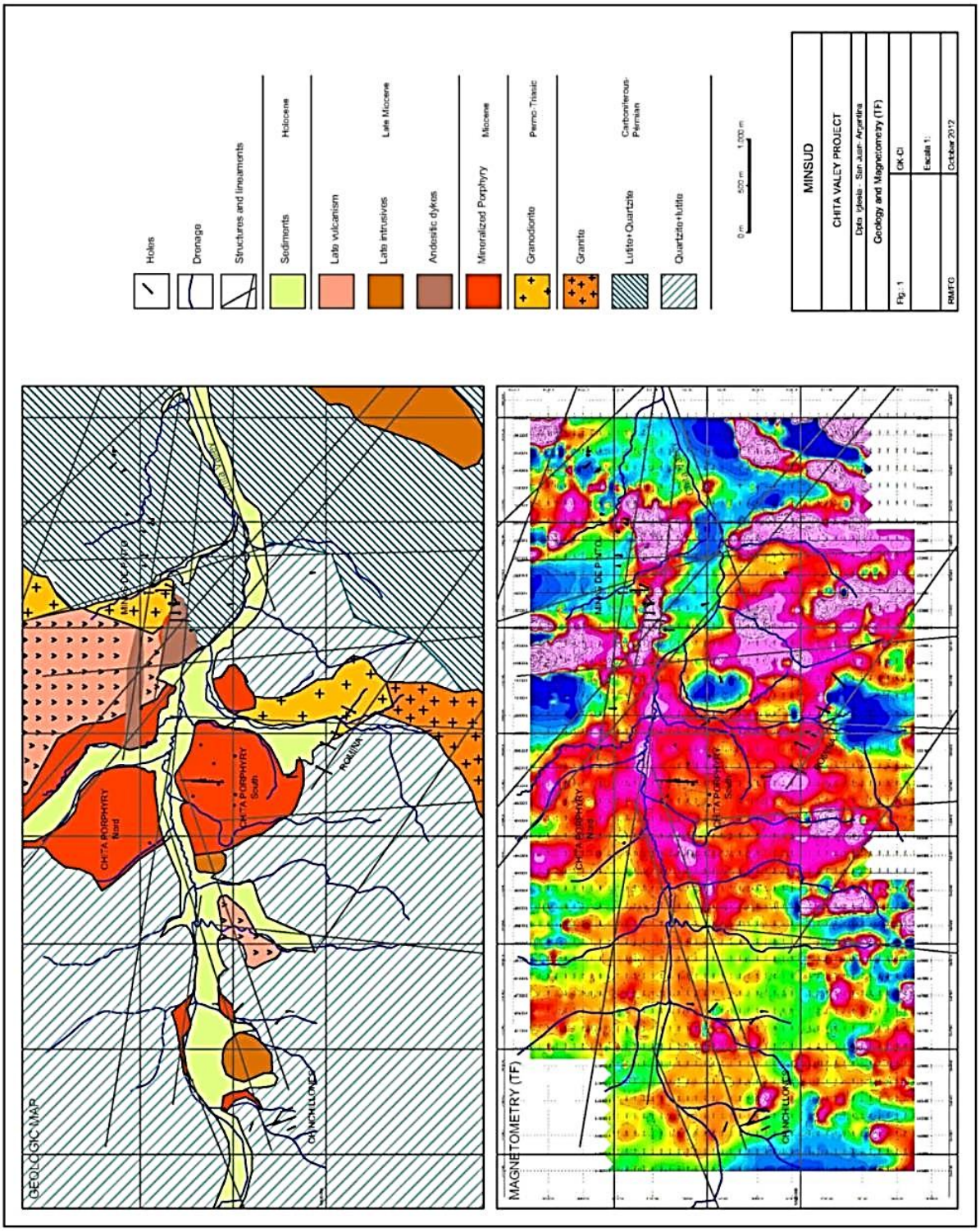
The MSA exploration work from 2006 to 2012 is briefly summarized as follows:

- 2006-2008, compilation of historical work and geological reconnaissance/prospecting activities on the Chita, Breccas Vacas and Chita II Properties.
- 2008, MSA drilled three diamond drill holes (845 m) in the areas of Chinchillones South and Breccias Chinchillones testing geophysical anomalies from a previous Schlumberger Vertical Electrical Sounding resistivity survey. Each hole intersected low sulphidation mineralization, MSA geologists recognized that the Breccia Chinchillones was a phreatomatic breccia containing anomalous precious metal values within a ENE to NE striking structure and that several other large breccia on the property with anomalous precious metal values required detailed examination.
- Drillhole MSA-08-A intersected 274 m of strongly argillic and phylic altered porphyry containing crystalline quartz veins and veinlets, disseminated sulphides and sulphide veinlets. The entire hole contained anomalous copper and molybdenum values with localized elevated gold and silver values. Drillhole MSA-08-B intersected a series of sub-vertical polymetallic (base metals and Au and Ag) veinlets within a Paleozoic quartzite. Drillhole MSA-08-C intersected a series of polymetallic veins and veinlets (base metals and Au and Ag) within the Paleozoic quartzite.
- In 2009, MSA carried out a program of surface trenching. During this program 135 sites were manually cleared from which 651 rock samples were collected for geochemical analysis. Also 94 rock chip samples were collected by MSA (552 geochemical assays) that when added to the above rock samples gave a total of 1,203 geochemical assay results.
- 2011, Pinto Property added to the Project. MSA completed 16 diamond drill holes on the Chita Project with a cumulative total of 3,360.1 m. The holes are distributed as follows:
    - Target Chinchillones: 915.0 m (five drill holes: ChS1101, ChS1102, ChS1103, ChS1104, ChS1105);
    - Target Romina: 1,044.6 m (five drill holes: RoW1101, RoW1102, RoW1103, Ro1104, Ro1105);
    - Target Muñoz-Dora: 81.0 m (one drill hole: DoM1101);
    - Target Porphyry Chita: 884.0 m (three drill hole: PSu11-01, PSU-11-02 and PSU-11-03); and
    - Target Minas de Pinto: 435.5 m (two drill hole: CHT-11-023 and CHT-11-024).

  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.
- 2012 campaign, an early stage exploration program was performed, including:
    - a ground magnetometer survey covering some 40 km2 (200 line km);
    - property wide surface geological mapping and general compilation of existing data at 1:10,000 scale;

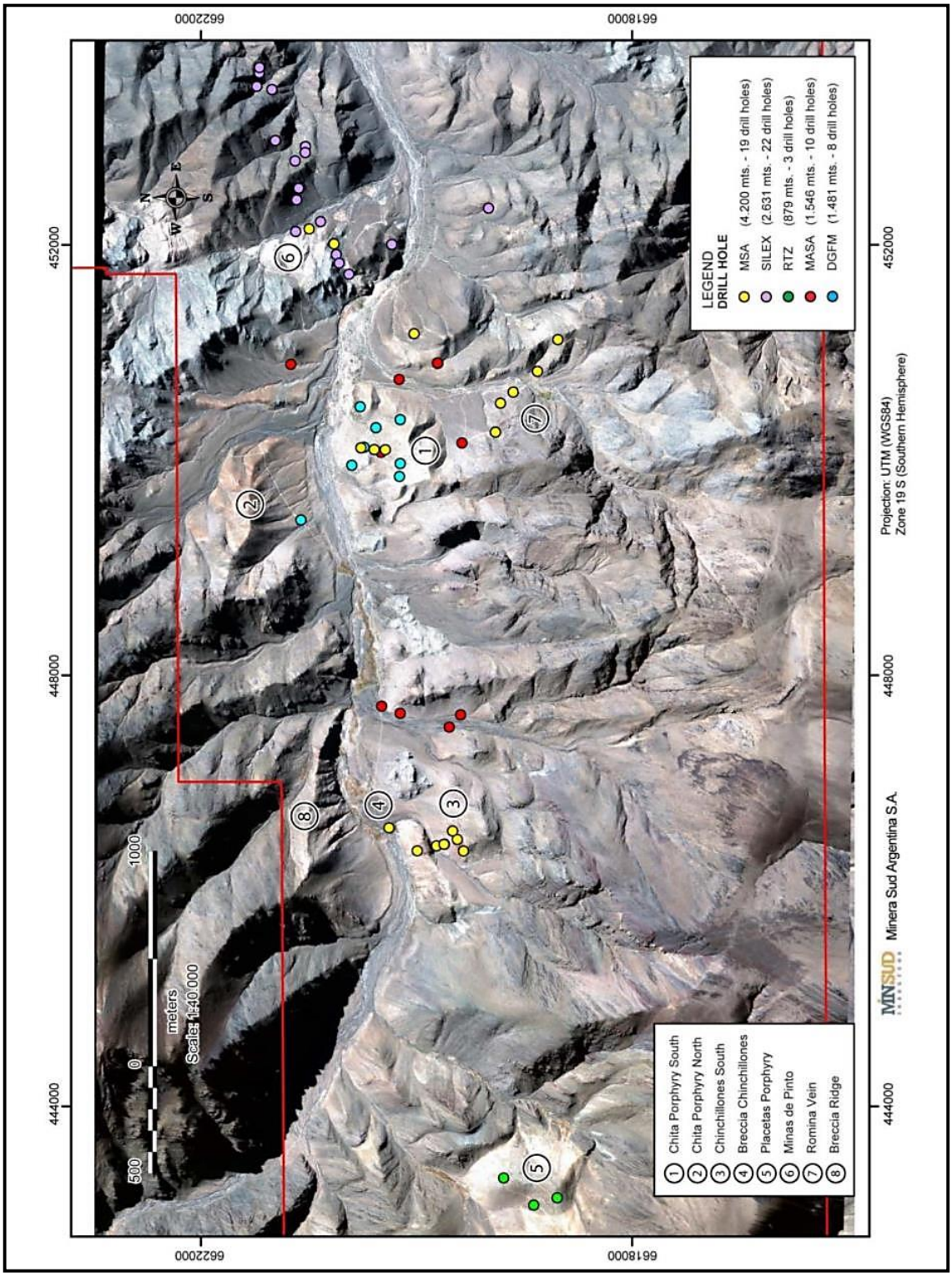
- detailed surface geological and alteration mapping at 1:2,000 scale over the Chita South Porphyry and at 1:1000 scale over the Chinchillones Prospects; and
- Channel sampling of outcrops and hand dug trenches utilizing a portable diamond-blade saw to define geological units, alteration features and as an initial test of potentially mineralized structures.

Central portion Chita Valley Project Area, Geology and Magnetics



The various historical and MSA drill hole are shown on the following map.

Historical and Current Drill Hole Locations



Exploration Work During the First Two Quarters of Fiscal 2013

The 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 strategy is to continue expanding the areas covered by detailed mapping to eventually include the entire Chita Valley Properties area. The existing lithological, alteration, structural and mineralization studies centered on the Chinchillones and Chita South Porphyry areas are being expanded to include other nearby sectors (Chita North Porphyry, Breccias Ridge- Porphyry "A", 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 Pinto areas.

Chita North Porphyry

Detailed mapping and selective rock sampling began in this area in the latter part of 2012 and was completed in the first quarter of 2013.

Between 1967 and 1976 Direccion General de Fabricacionesv Militares undertook exploration activities in the area. These activities included geological mapping, geochemical sampling for Cu, Mo, Pb and Zn, an IP/resistivity geophysical survey and one vertical diamond hole, SD-03, to 150 metres depth. Anomalous Cu and Mo values were obtained over the full length of the hole. The core section from 18.0 to 150.0 metres, an interval of 132.0 metres averaged 0.116% Cu, 0.016% Mo, 0.026 g/t Au and 0.28 g/t Ag.

Between 1995 and 1996 Minas Argentinas S.A. carried out prospecting and exploration for Cu-Au mineralization. This company completed one vertical reverse circulation drill hole, C96-08, to a depth of 136.0 m to test for gold and silver concentrations. The best section was 10 metres from 22 to 32 metres averaging 0.10 g/t Au, 0.58 g/t Ag and 0.23% Cu. No Mo analyses were done.

The geological setting is described as follows:

- Basement in the area is Agua Negra Formation metasediments.
- This sedimentary succession is intruded by several phases of intrusive porphyries and breccias and is overlain by coeval andesitic and dacitic tuffs, both of probable Miocene age.

Andesitic tuffs (TBA) covers 80% of the area and is characterized by 5-10 mm lithic fragments plus crystals of plagioclase, primary biotite and amphiboles. Quartz is very scarce, less than 3%. The unit occupies the entire top and northern edge of the area. It is believed to be the extrusive equivalent of the andesitic porphyry. The dominant alteration is argillic which affects both groundmass and phenocrysts.

Andesitic porphyry (PFA) occupies the peripheries of the hill and the eastern half of the area called "La lengua". It is a porphyry with euhedrical 3-5 mm plagioclase phenocrysts in an, aphanitic groundmass with nodules of biotite and amphibole.

Dacitic tuff (TBD) underlies a 200 x 200 m area in the north-western part of the area. This rock has abundant 2 to 5 mm quartz crystals and strong argillic alteration. There is little veining in this area but it develops pervasive silica structures with NW allignment.

Volcanic Breccias (BXV) occupy the central area of Chita North hill. These are typified by coarse sub-rounded fragments in a sand size matrix. These are located in the middle elevation part of the hill which gives the impression that they are a stratigraphic level. There are fault breccias associated with sediment-tuff contacts in some areas.

Moderate to strong argillic alteration is dominant in the Chita North area. Kaolin and white clays replace biotite and plagioclase phenocrysts. The control of this alteration is strongly related with the siliceous structures and it is stronger in the selvages of these veins and veinlets, then grading outwards to fresh rock.

The alteration seems to be a low temperature argillic, kaolin, haloicita + /-illite. The alteration is stronger in the higher porosity volcanoclastic rock than in the porphyry. The dominant alteration in the porphyry is propylitic with chlorite and epidote replacing mafics. Strong magnetism was observed because of the presence of primary magnetite. In the area called "La lengua" alteration is controlled by faulting and propylitic alteration becoming argillic alteration because of the shearing and quartz veining is clearly observed. The alteration of the Chita Northern porphyry is of a lower temperature and it is marginal to a porphyry system.

The porphyry has very little development of stockwork (~ 1% of the outcropping surface). This is observed only in the northern area. The veinlets are quartz pyrite + /-magnetite of 2 to 3 mm width. They are presumably of an early stage. The mineralization is associated with these vein systems. The Au – Ag content and the Cu - Mo low values are very erratic without a definite pattern. It is important to mention the intense development of pyritization, mostly in the porphyry, within propylitic alteration. The 2-3 mm very pale ehuedral pyrite is disseminated. The destruction of this pyrite is the reason of the intense jarosite colouration as patina and fissure fillings in the area. According to its distribution this pyrite seems to be a pervasive event related more to the porphyry than to the quartz veins formation.

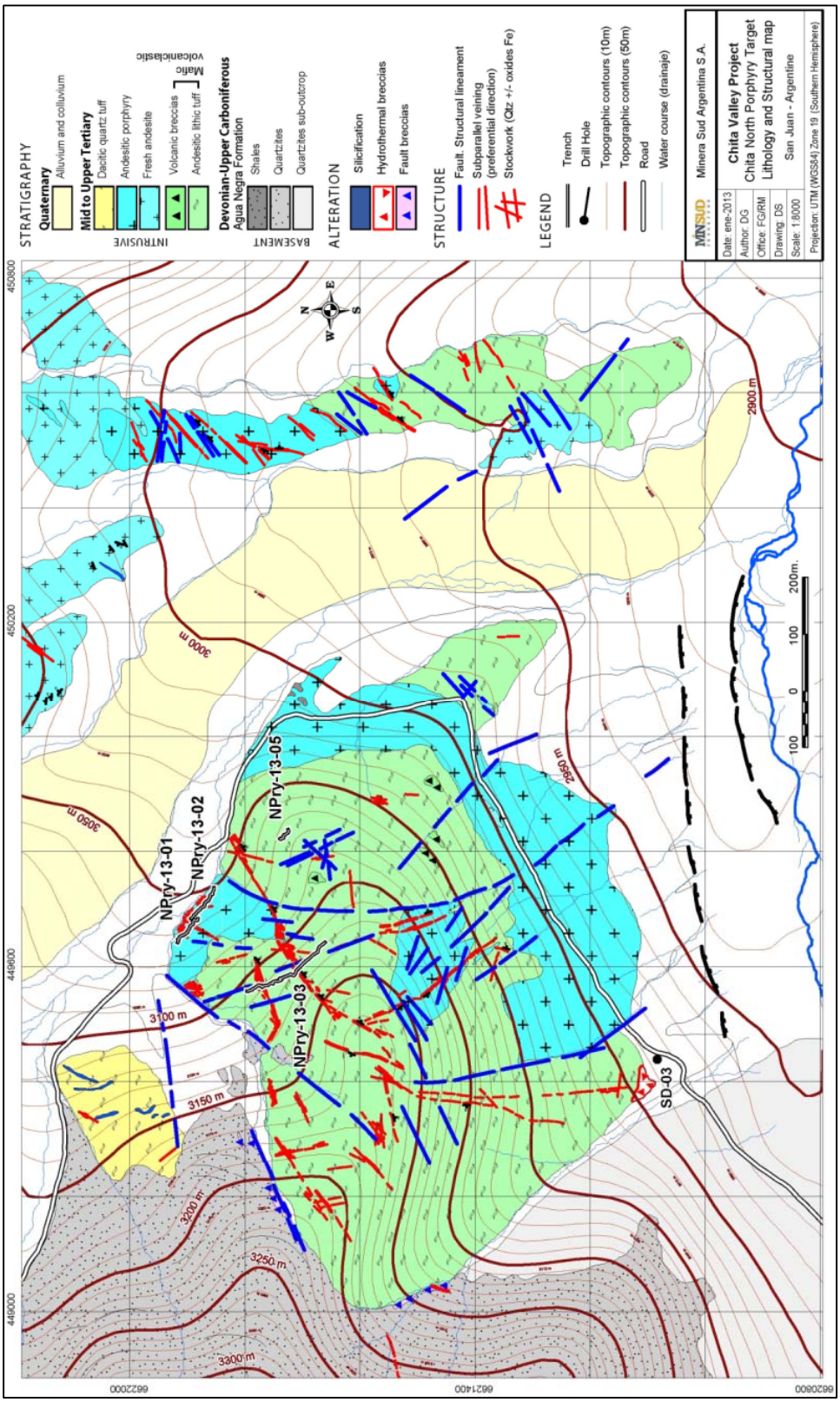
A program of semi-continuous weathered surface bedrock sampling employing a combination of sawn channel samples and composite chip channel samples was completed in Q1 2013. Four semi-continuous sampling profiles were completed (NPry-13-01, 02, 03 and 05) with a cumulative total of 135 geochemical samples with a cumulative sampling length of 325 metres. 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).

Sampling profiles NPry-13-01, 02 and 03 were designed to provide an initial evaluation of the substantial areas of jarosite-pyrite alteration near the porphyry-andesite contact zone. The generally NE oriented altered zone is characterized by concentrations of veins, breccias and stockworks. Trench NPry-13-05 which lies outside of the stronger alteration and mineralization is used to determine local geochemical background values.

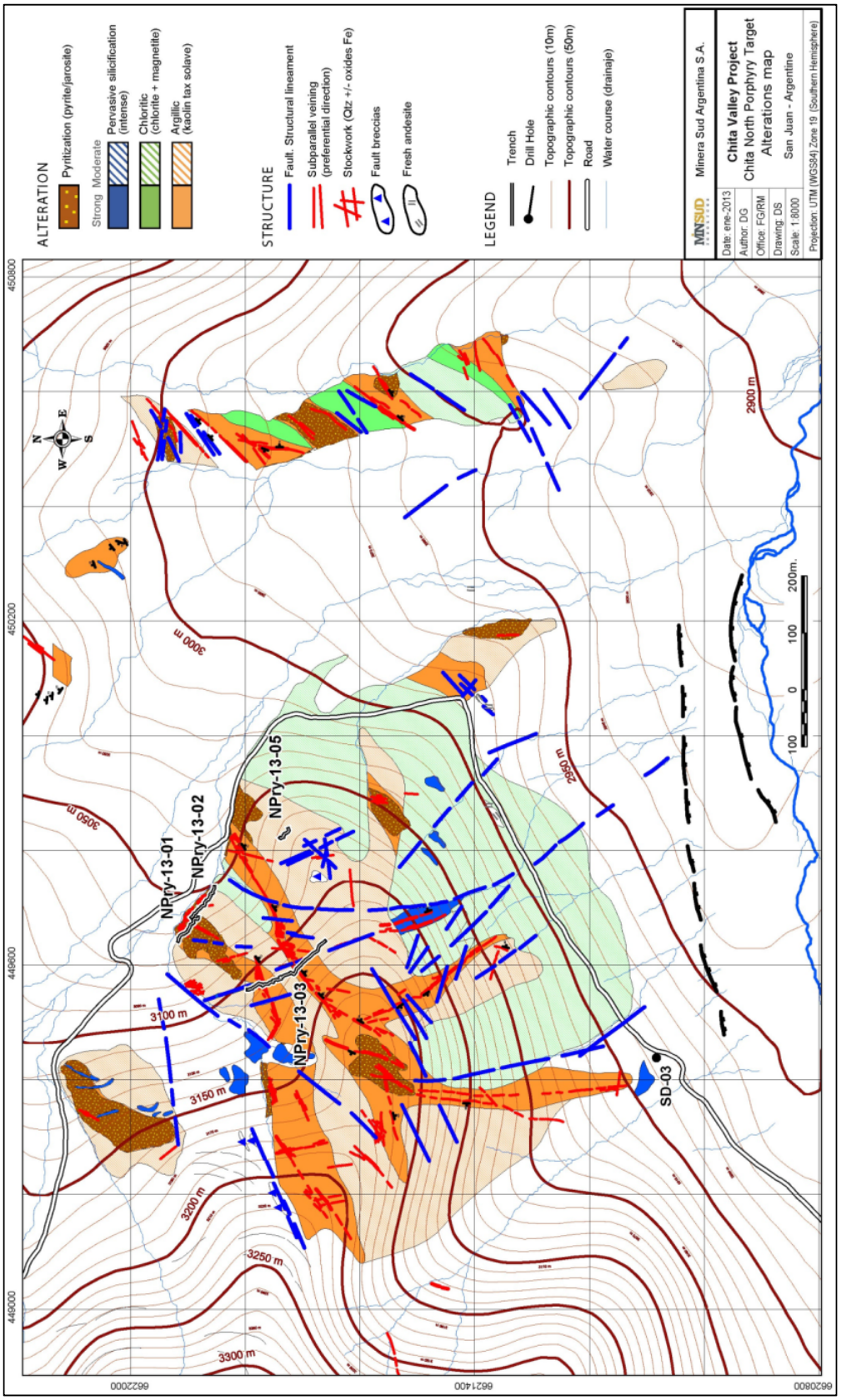
In general the geochemical results indicate anomalous concentrations of gold, silver and copper over significant intervals. In comparison to the previously reported channel sampling from the Chita South porphyry area these elements generally occur in similar to somewhat higher concentrations at Chita North. Molybdenum values on the other hand are substantially lower in the areas sampled at Chita North. As a general rule due to surface leaching, copper values at surface usually understate the contents of the underlying supergene enrichment and primary mineralization zones.

Maps showing detailed geology and alteration patterns as well as recent sampling sections are presented below. For more details please see our press releases related to this project in www.sedar.com or our Summary Report on Chita Valley Project- March 2013 in our website www.minsud.com .The results highlights from the three mineralized profiles and the local background profile are tabulated below.

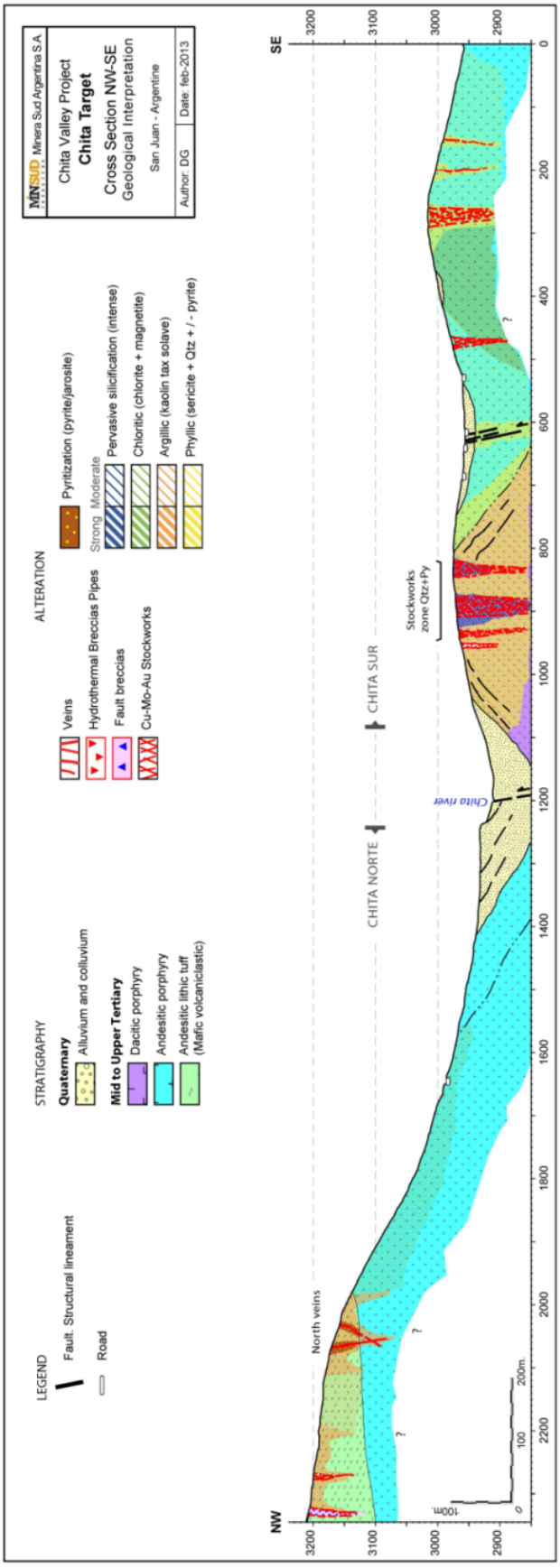
Detailed Geological Map Chita North Porphyry



Detailed Alteration Map Chita North Porphyry



Geological Cross Section, Chita North & South Porphyry Areas



Chita North Porphyry Channel Sampling Highlights

Profile	From	To	Interval	Au	Ag	Cu	Mo
	m	m	m	g/t	g/t	%	%
NPry-13-01	0.00	68.00	68.00	0.06	2.80	0.018	0.005
NPry-13-02	0.00	56.00	56.00	0.15	2.30	0.022	0.004
includes	32.00	34.00	2.00	0.86	1.00	0.014	0.010
NPry-13-03	9.00	102.95	93.95	0.11	2.50	0.011	0.001
includes	33.00	33.45	0.45	1.56	28.90	0.088	0.001
NPry-13-03	126.95	174.95	48.00	0.08	3.60	0.015	0.001
NPry-13-05	0.00	26.00	26.00	0.01	0.00	0.005	0.001

Chinchillones Porphyry Diatreme Complex

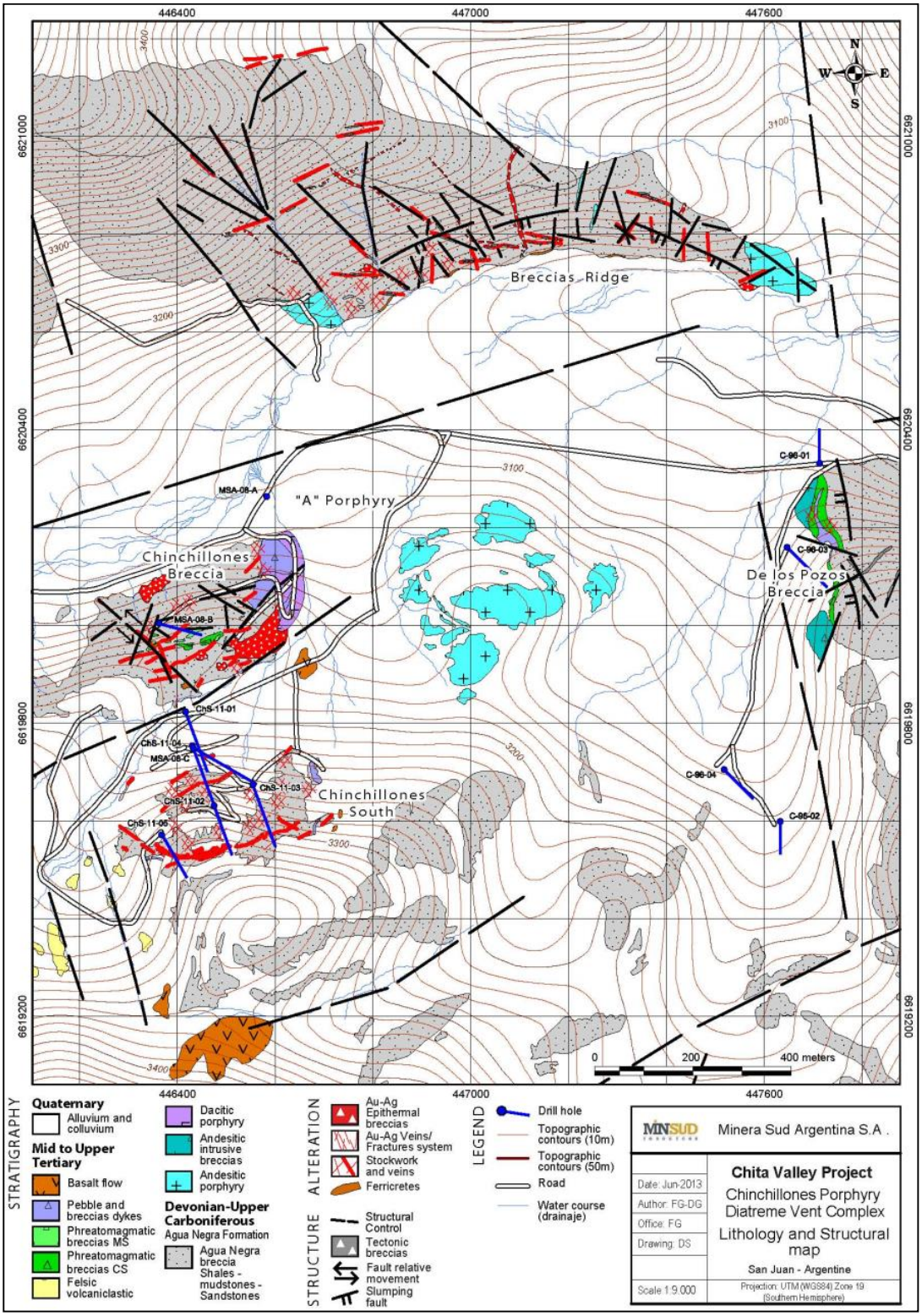
This section provides an update on a geological assemblage, herein termed the Chinchillones Porphyry Diatreme Complex, that was once considered to be several target areas (Chinchillones, Chinchillones South, Porphyry A, Breccas Ridge and De los Pozos breccia). Detailed mapping and selective rock sampling was completed in Chinchillones, Chinchillones South, Porphyry A areas in 2012 and in the Breccas Ridge and De los Pozos breccias sectors in the first half of 2013.

The Chinchillones Porphyry Diatreme Complex is a component part of the larger Tertiary age Chita Valley diatreme volcanic vent/porphyry complex.

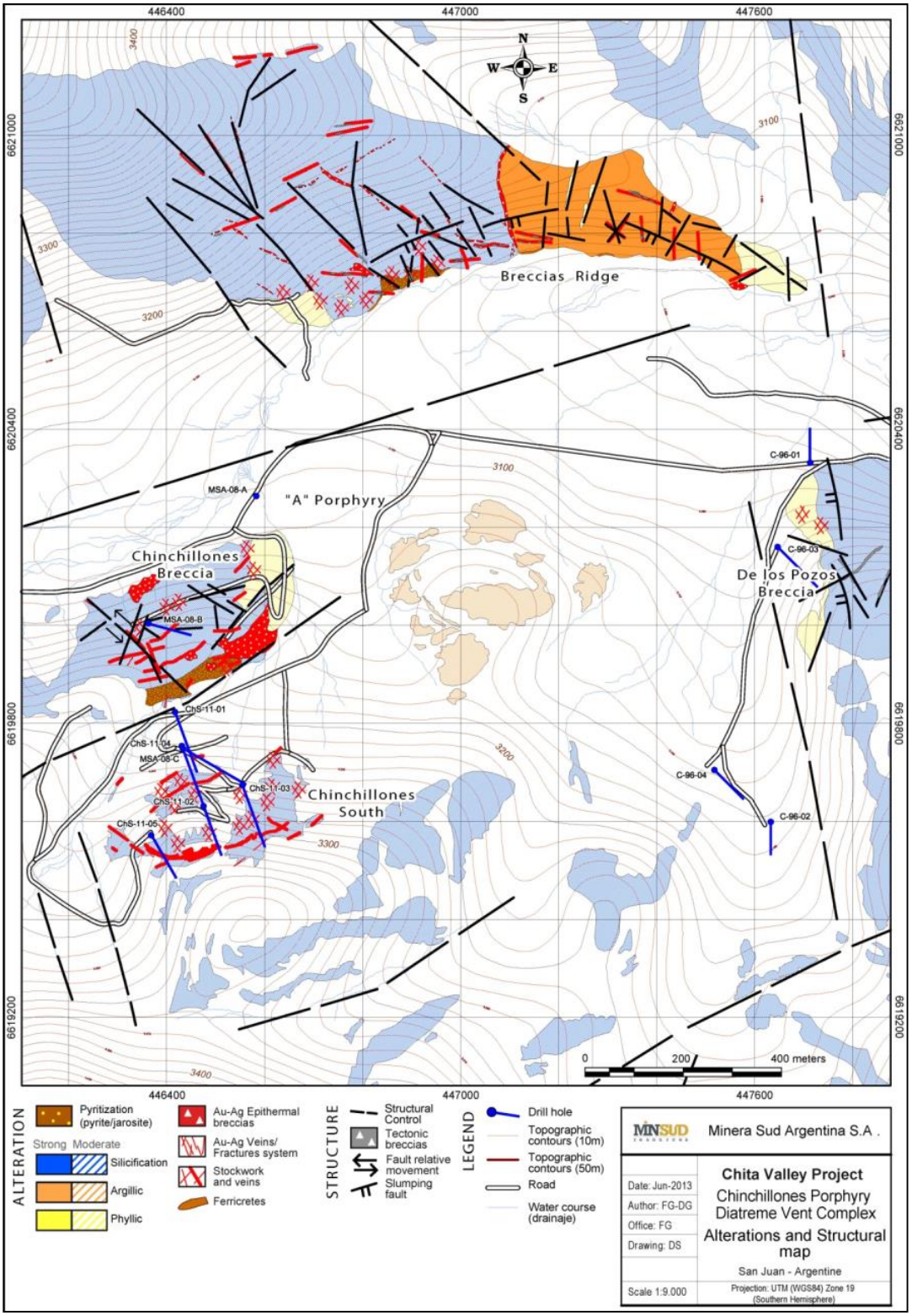
The exposed basement of the Chinchillones Complex comprises quartzites, siltstones and shales of the Carboniferous age Agua Negra Formation. The sedimentary succession is cut by several phases of intrusive porphyries and related breccias of probable Miocene age. The Agua Negra sediments in the southwestern corner of the area are overlain by felsic volcaniclastics and mafic flows/dykes of probable Miocene age. 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. In addition the Chinchillones Complex is locally characterized by radial and ring fractures around its margins that may be associated with caldera subsidence and resurgent dome phenomena. The lithological and structural setting is shown below with a more detailed geological map available on the Company's website.

Alteration is variable and pervasive throughout most units. The alteration pattern in outcrop areas is also shown below and a more detailed map is available on the Company's website.

Detailed Geological Map Chinchillones Complex



Detailed Alteration Chinchillones Complex



Precious and base mineralization is widespread and variable in host rock, metal content and ratios. Earlier information releases have reported on some of the component parts of the Chinchillones Complex, namely:

- Porphyry A Target: The felsic porphyry hosted mineralization comprises low to moderate grade disseminations, stockwork and veinlets with widespread Mo + Cu mineralization along with localized Au + Ag values (28/04/2011).
- Chinchillones Breccias Target: is a complex breccia hosted by Agua Negra sediments near the porphyry contact, with a superimposed epithermal system (15/11/2012).
- Breccias Ridge Target: located in the northern segment of the Chita Valley, with many similarities to the Chinchillones Breccias area.
- South Chinchillones Targets: are NE trending structurally controlled Au+Ag bearing polymetallic veins hosted by Agua Negra Formation quartzite. Vein systems develop in at least three corridors (14/09/2011).

The 2012 ground magnetic survey, the continuation of detailed lithological, structural and alteration mapping into the Breccias Ridge and Breccias de los Pozos sectors, and a re-examination of historical RC drilling data were the final threads bringing the Chinchillones Complex geological model together.

- The magnetic data, even at relatively wide 200m line spacing, is helpful for defining structural, lithological and alteration features beneath areas covered by Quaternary deposits.
- The geological mapping/surface bedrock sampling program greatly enhanced the geological knowledge of the area and produced a comprehensive database to build upon.
- The historical RC drilling data can now be viewed in a fuller context.

Mapping at Breccias Ridge resulted in a much clearer understanding of that sector. The rugged terrain has enabled a clear understanding of the paleotectonic details of the northern margin of the Chinchillones Complex. The area is thought to represent the outer marginal part of a caldera/resurgent dome structure related to the Chinchillones Complex. The sector is extensively fractured and altered, with widespread quartz-sulphides disseminations, stockwork and discreet veins. Various breccias also typify the sector. Interpretive cross sections are shown below.

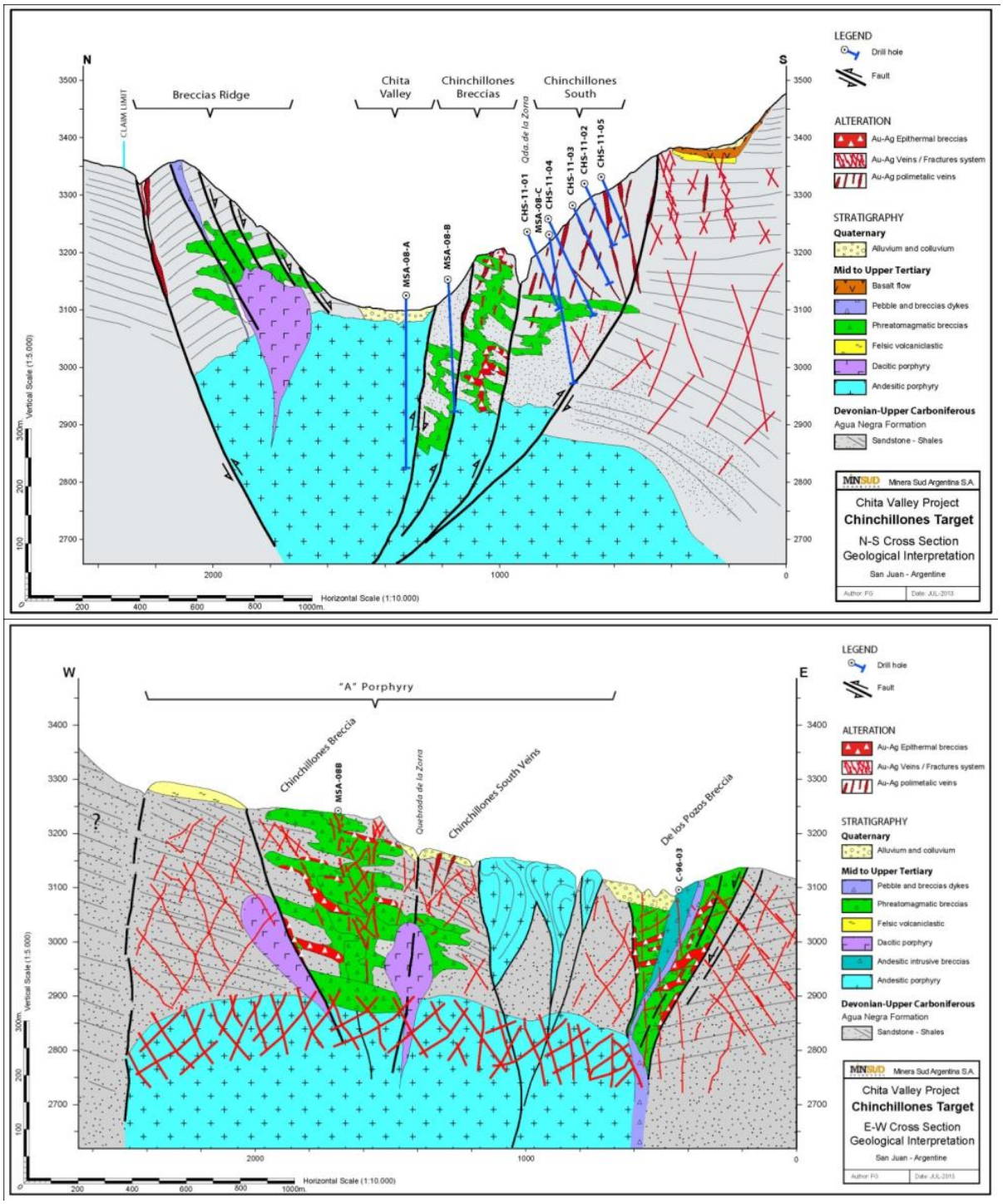
Earlier previously reported detailed mapping and sampling results were primarily from the South Chinchillones polymetallic vein corridors and the upper stratigraphic and marginal areas of the Chinchillones breccias areas. The veins contain widespread concentrations of gold and silver including some that may be economically significant either alone or probably more importantly when superimposed upon earlier porphyry/diatreme breccia complex mineralization. The exposed marginal parts of the diatreme breccia complex also contain localized Au and Ag.

In 2008, MSA drilled three diamond drill holes (845 m) in the areas of Chinchillones South and Breccias Chinchillones testing geophysical anomalies from a previous Schlumberger Vertical Electrical Sounding resistivity survey. Each hole intersected low sulphidation mineralization, MSA geologists recognized that the Breccia Chinchillones was a phreatomatic breccia containing anomalous precious metal values within an ENE to NE striking structure and that several other large breccia on the property with anomalous precious metal values required detailed examination.

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

within the Paleozoic quartzite. In 2011, five diamond drills were completed in the area of drill hole MSA-08-C. The highlight results of the 2008 and 2011 Minsud drilling are presented in the following table.

Chinchillones Complex NS and EW Interpretive Geological Cross Sections



Chinchillones Complex Previous Minsud Drilling Highlights

Hole #	Intersection			Assays			
	From	To	Interval	Au	Ag	Cu	Mo
	M	m	M	g/t	g/t	ppm	ppm
MSA08-A	26	300.45	274.45	0.035	0.55	**900**	**100**
MSA08-B	42	43	1	**3.40**	**60.1**	n/a	Tr
MSA08-C	104	198	94	0.12	**51.0**	**1,500**	Tr
ChS11-01	112	114	2	0.18	**105.0**	**13,400**	Tr
ChS11-04	62	63	1	0.44	**393.0**	**14,600**	Tr
ChS11-05	135	137	2	0.40	**136.0**	n/a	Tr

The De los Pozos Breccias area along the eastern margin of the complex is in essence the mirror image of the Chinchillones Breccia sector to the west. Like Chinchillones the De los Pozos area contains a variety of sedimentary and igneous lithologies, breccias and mineralization types.

The Breccias Ridge and De los Pozos areas were mapped in detail and selectively channel sampled during the first half of 2013. As noted above, historical reverse circulation data in the De los Pozos area was re-examined and incorporated into the overall interpretation. The following table shows highlights of the surface outcrop channel sampling. It is noted that the channel sample base metal values are typically significantly understated due to surface weathering and leaching. This is clearly demonstrated for general comparison purposes by the historical drilling analyses from below the weathering profile. Highlights of the 2013 channel sampling program and the historical drill sampling are presented in the following table. Full sampling results can be seen on the Company's website (www.minsud.com).

2013 De los Pozos and Breccias Ridge Sampling Highlights (with historical RC drilling)

Area	Trench *(Historical RC Hole)*	From (m)	to (m)	length (m)	Au (g/t)	Ag (g/t)	Cu (ppm)	Mo (ppm)	Pb (ppm)	Zn (ppm)
De los Pozos	Chinch-2013-03	0.00	24.00	24.00	0.04	2.2	**285**	11	**160**	**370**
	Chinch-2013-04	0.00	30.00	30.00	0.14	6.7	**251**	22	97	43
	incl.	0.00	4.00	4.00	**0.27**	**10.5**	**169**	28	43	35
	Chinch-2013-05	0.00	48.00	48.00	0.05	3.4	86	14	**269**	82
	C96-01	*66.00*	*74.00*	*8.00*	*0.11*	***14.0***	***4967***	*n/a*	***1883***	***3759***
	C96-02	*56.00*	*58.00*	*2.00*	***0.25***	***17.0***	***1383***	*n/a*	***4744***	***10116***
	C96-03	*108.00*	*116.00*	*8.00*	***0.22***	*9.0*	***8901***	*n/a*	***250***	***453***
	C96-04	*160.00*	*162.00*	*2.00*	***1.33***	***81.0***	***8902***	*n/a*	***10001***	***20001***
Breccias Ridge	Chinch-2013-06	12.00	54.00	42.00	0.04	4.6	**179**	5	**566**	91
	incl.	12.00	15.00	3.00	0.17	**15.1**	**141**	6	**306**	81
	Chinch-2013-07	0.00	57.30	57.30	**0.16**	3.4	**105**	**39**	44	18
	incl.	21.00	39.30	18.30	**0.33**	2.1	70	14	28	12
	Chinch-2013-08	0.00	36.00	36.00	0.03	2.3	**117**	**69**	58	17
	incl.	30.00	33.00	3.00	0.13	7.7	**263**	**175**	86	21
Chinchillones Breccia	Chinch-2013-09	0.00	42.00	42.00	0.07	4.4	**145**	8	**346**	85
	incl.	0.00	3.00	3.00	**0.39**	**17.9**	**175**	3	**608**	51
	Chinch-2013-10	0.00	14.00	14.00	0.04	2.4	**167**	13	**812**	116

All 2013 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). The sampling and analytical procedures for the historical RC samples are unknown.

Pinto Area

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

The Minas de Pinto corridor contains artisanal diggings of unknown age and an early 20th Century exploration adit. A TSXV listed company optioned the Minas de Pinto Property in the mid -2000's, completing extensive surface channel sampling and in 2008 drilled 22 diamond drill holes totaling 2,631.25 meters. The full data set pertaining to latter work including analytical certificates and remaining

drill core was turned over to the property owner upon termination of the option agreement. In 2011, Minsud drilled two NQ holes designed to test the earlier results, with CHT11-24 being a twinned hole of previous hole CHT-004.

The following table shows the assay results of the Fatima Vein and related vein margin silica alteration zone for infill hole CHT-11-23 and twinned hole CHT-11-24 (CHT-004). A previously unknown zone of silicified and polymetallic sulphide mineralized tonalite porphyry was also encountered in hole CHT-11-23. In addition selected results of other 2008 historical holes are presented to illustrate the general nature of the mineralization. It is noted that there is wide variation in gold and silver values within and between mineralized sections that is indicative of "nugget effect" which is a ubiquitous characteristic of the great majority of auriferous vein type deposits. This is clearly illustrated in the twinned holes where the Fatima Vein intersections are probably separated by only a few meters but the values are very different. It is also clear that the widely scattered holes indicate a variety of narrow or broader mineralized sections that require additional exploration.

Detailed geological and alteration studies as well as extensive prospecting and rock sampling are currently being undertaken by the Company. Preliminary findings indicate that the Johana vein is of particular interest due to good gold and silver grade/thickness combinations that have not yet been tested by outline drilling. It is anticipated that ground geophysical surveying, in particular magnetic and Induced Polarization/resistivity surveys will be required to effectively define further drilling targets.

Also, the historical Pinto veins are being re-evaluated. It is a structure that has been sampled to a limited extent by Silex and has historical artisanal mining sites. The structure (or possibly a corridor) is parallel to and 500 m south of Fatima. The few Silex samples are very good (up to 13.28 g/t Au and 22.8 g/t Ag over 3.0 m). The corridor is approx 800 m long, very accessible and has not been drilled yet. The mapping 1:1000 of this area has already been completed and the Minsud field work team has begun trenching and sampling.

Complete records of the Silex sampling were turned over to the property owner upon termination of the option agreement. These were subsequently presented to Minsud upon signing the Exploration and Purchase Option on the Minas de Pinto Property.

All drill core 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 (ICP-MA-39) with selected elements above detection limit assayed by ICP-ORE method.

DRILL HOLE ASSAY AVERAGES 2011 & HISTORICAL MINAS DE PINTO

Prospect	Drill Hole	Drill hole intersection			Assay	
		From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
Porphyry w. sulphidation	CHT-11-23	23.00	35.00	12.00	0.20	24.30
Fatima Vein	CHT-11-23	250.00	251.00	1.00	0.34	4.10
Fatima Zone (Twin CHT-04)	CHT-11-24	73.00	76.00	3.00	0.31	19.20
(includes vein)		73.00	75.00	2.00	0.47	14.40
Fatima Zone	CHT-004	77.72	82.50	4.78	3.73	31.00
(includes vein)		78.20	79.80	1.60	10.58	88.33
Fatima Zone	CHT-005	90.00	94.00	4.00	0.63	32.10
(includes vein)		91.70	93.20	1.50	1.48	83.83
Fatima Zone	CHT-019	133.50	139.00	5.50	0.59	24.91
Fatima Zone	CHT-020	87.00	99.00	12.00	0.29	97.76
Fatima South Zone	CHT-002	169.00	171.50	2.50	6.42	4.43
Fatima South Zone	CHT-005	13.00	18.80	5.80	0.42	3.86
Fatima South Zone	CHT-019	53.00	66.20	13.20	2.38	4.08
Fatima South Zone	CHT-020	15.60	17.40	1.80	2.71	51.61
Candella	CHT-006	69.00	73.00	4.00	2.18	63.24
Candella	CHT-008	23.80	25.75	1.95	0.79	58.04
Argentina	CHT-010	72.00	76.70	4.70	1.21	92.06
Johana	CHT-012	129.50	130.50	1.00	4.43	738.00
Johana	CHT-013	40.50	47.00	6.50	5.01	17.28
Candella	CHT-018	28.50	45.00	16.50	1.21	28.58

General Conclusions 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 kms from the town of Bella Vista, Iglesia- Province of San Juan. At elevations under 3,700m ASL, the properties are easily accessible by 4WD 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 during fiscal 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.

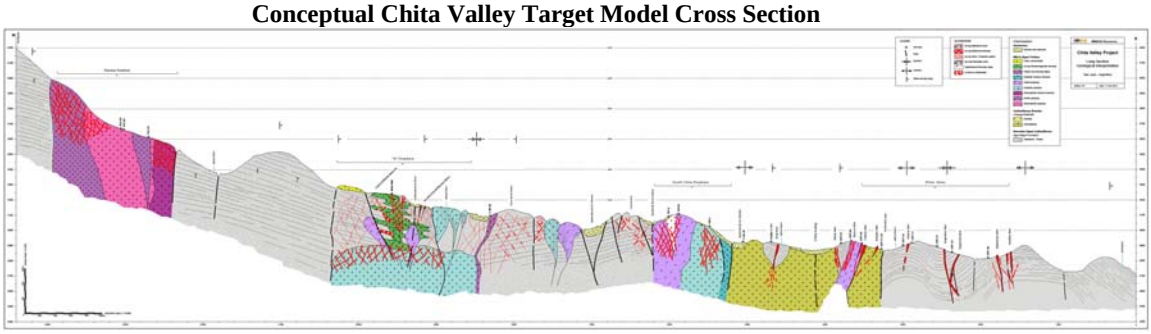
Historically from the mid-1960's to 2011, several core and reverse circulation drilling campaigns have been completed in various areas, with a cumulative total of about 10,700m. The main targets known at present include: the Chita Porphyry Stock South (Cu-Mo-Au-Ag); the Romina Vein, (Au-Ag-Cu); Chinchillones-Brechas 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 Chita Valley Target Model Cross Section



II. LA ROSITA PROJECT

A) Mining rights

The La Rosita project is 100% owned by MSA. An exploration claim (Cateo), file # C409.392-MSA-06 (9,970 hectares), was granted through resolution # 126 issued by the Mining Authority (Dirección Provincial de Minería) of the Province of Santa Cruz dated May 16, 2008.

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 prospect. The La Rosita exploration claim expired November 29, 2011. Prior to the expiration date, and in accordance with the required legal procedure, the Company requested within the 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. On March 22, 2013, MD-Alfa was granted to the Company by the Secretary of Mines, Santa Cruz Province. The MD Alfa III is 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 our spring so long as the Company 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.

Exploration Work Performed by MSA During 2011 and 2012

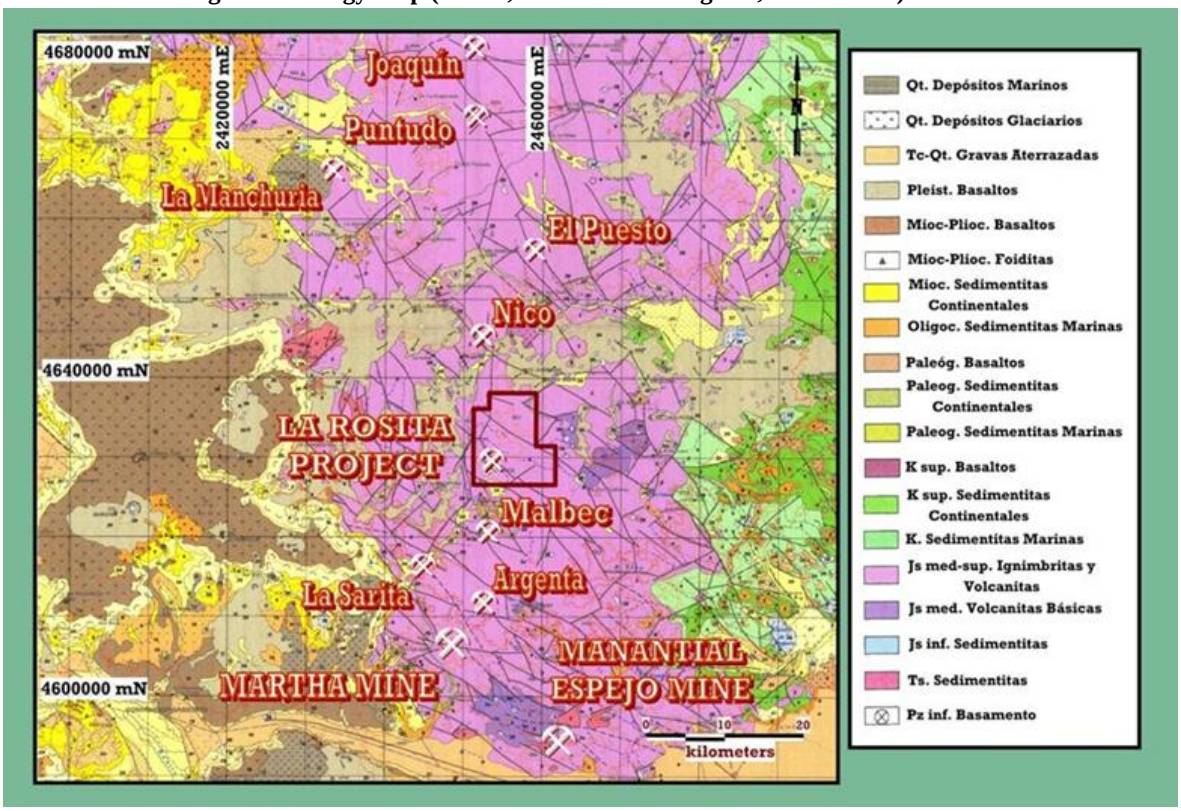
During the 2011-12 campaigns, an early stage exploration program was performed, including:

- 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;
- 3.5 line km of mechanical trenches (51 trenches) to define geological units, alteration features and as an initial test of potentially mineralized structures; and
- About 22 km of bush road construction was carried out to allow easy access the main target areas.

Initial reconnaissance work by Minsud 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).

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

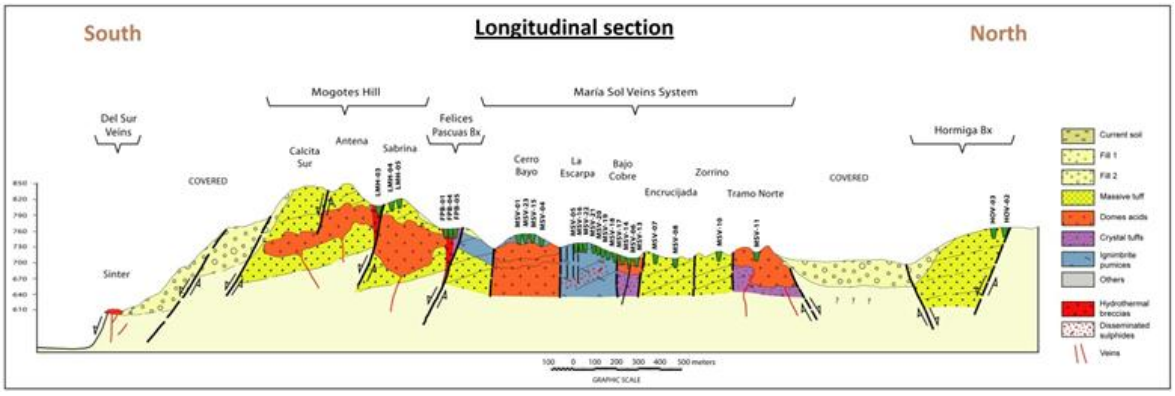


A ground magnetometer survey covering some 16 km^2 (320.3 line km) was completed in 2011 in the south-western part of the La Rosita exploration claim. The magnetic survey and mapping program has defined a conjugate shear structural system, with maximum extensional effort coincident with the general strike 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).

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 has plans for the future 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. As noted previously with respect to the Chita Valley Project, Minsud's current exploration program represents a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market. As a result no outsourced contract work such as geophysical surveys is currently being conducted.

For more details please see our press releases related to this project in www.sedar.com or our Summary Report on La Rosita - October 2012 in our website www.minsud.com

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 three months ended June 30, 2013 are as follows:

Three months ended June 30, 2013	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	73,491	16,360	52,006	NIL	NIL	NIL	141,857
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	3,203	3,805	7,720	NIL	NIL	NIL	14,728
Labour and Technical Fees	36,779	38,945	54,997	262	1,243	NIL	132,226
Vehicles and Equipment	1,883	2,196	4,376	88	596	NIL	9,139
Travel and Lodging	1,240	3,049	3,524	NIL	1,016	NIL	8,829
Project Management	(7,086)	14,343	28,435	2,348	3,806	131	41,977
VAT Paid	3,083	1,364	1,330	262	325	NIL	6,364
Current Expenditures	**112,593**	**80,062**	**152,388**	**2,960**	**6,986**	**131**	**355,120**
Currency Translation Adjustment	(29,712)	(37,645)	(9,474)	(3,245)	(11,006)	NIL	(91,082)
Balance – beginning of period	**1,744,210**	**2,250,017**	**566,637**	**190,254**	**662,613**	**2**	**5,413,733**
Balance – end of period	**1,827,091**	**2,292,434**	**709,551**	**189,969**	**658,593**	**133**	**5,677,771**

(a) See Chita Valley Project section, “Mining rights” discussed previously and note 7 to the consolidated financial statements.

Project expenditures for the six months ended June 30, 2013 are as follows:

Six months ended June 30, 2013	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	73,491	35,594	52,006	NIL	NIL	NIL	161,091
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	4,772	6,242	8,592	NIL	NIL	NIL	19,606
Labour and Technical Fees	69,655	106,372	85,458	735	1,479	NIL	263,699
Vehicles and Equipment	3,982	7,444	6,475	158	708	NIL	18,767
Travel and Lodging	2,563	10,522	5,434	NIL	1,016	NIL	19,535
Project Management	11,210	54,215	47,124	6,518	6,610	131	125,808
VAT Paid	5,108	3,497	2,100	431	640	NIL	11,776
Current Expenditures	**170,781**	**223,886**	**207,189**	**7,842**	**10,453**	**131**	**620,282**
Currency Translation Adjustment	(58,441)	(73,881)	(18,407)	(6,396)	(21,738)	NIL	(178,863)
Balance – beginning of period	**1,714,751**	**2,142,429**	**520,769**	**188,523**	**669,878**	**2**	**5,236,352**
Balance – end of period	**1,827,091**	**2,292,434**	**709,551**	**189,969**	**658,593**	**133**	**5,677,771**

(a) See Chita Valley Project section, “Mining rights” discussed previously and note 7 to the consolidated financial statements.

Project expenditures for the three months ended June 30, 2012 are as follows:

Three months ended June 30, 2012	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	10,997	1,229	588	NIL	35,049	NIL	47,863
Geophysics	4,986	19,979	11,965	NIL	NIL	NIL	36,930
Labour and Technical Fees	19,098	61,087	40,260	191	57,003	NIL	177,639
Vehicles and Equipment	1,338	5,362	3,210	189	6,796	NIL	16,895
Travel and Lodging	1,345	11,435	3,230	NIL	11,013	NIL	27,023
Project Management	14,556	38,422	22,491	1,963	42,561	5,761	125,754
VAT Paid	4,005	6,327	3,747	239	9,786	NIL	24,104
Current Expenditures	**56,325**	**143,841**	**85,491**	**2,582**	**162,208**	**5,761**	**456,208**
Currency Translation Adjustment	(22,959)	(18,235)	(6,180)	(2,653)	(8,434)	(261)	(58,722)
Balance – beginning of period	**1,726,918**	**1,310,420**	**426,495**	**202,232**	**543,341**	**15,594**	**4,225,000**
Balance – end of period	**1,760,284**	**1,436,026**	**505,806**	**202,161**	**697,115**	**21,094**	**4,622,486**

Project expenditures for the six months ended June 30, 2012 are as follows:

Six months ended June 30, 2012	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs **(a)**	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Road Construction	NIL	NIL	NIL	NIL	44,224	NIL	44,224
Assays	11,551	12,560	10,381	750	36,481	NIL	71,723
Geophysics	4,986	19,979	11,965	NIL	NIL	NIL	36,930
Labour and Technical Fees	82,901	77,639	47,191	1,411	130,876	NIL	340,018
Vehicles and Equipment	10,206	7,525	4,075	384	26,798	NIL	48,988
Travel and Lodging	7,638	14,174	3,842	539	35,690	NIL	61,883
Project Management	57,602	51,371	32,811	6,060	114,289	7,102	269,235
VAT Paid	7,911	9,676	6,147	617	24,276	NIL	48,627
Current Expenditures	**182,795**	**192,924**	**116,412**	**9,761**	**412,634**	**7,102**	**921,628**
Currency Translation Adjustment	(82,399)	(64,139)	(20,462)	(9,797)	(21,830)	(797)	(199,424)
Balance – beginning of period	**1,659,888**	**1,307,241**	**409,856**	**202,197**	**306,311**	**14,789**	**3,900,282**
Balance – end of period	**1,760,284**	**1,436,026**	**505,806**	**202,161**	**697,115**	**21,094**	**4,622,486**

Brechas Vacas Property

During the six months ended June 30, 2013, the Company spent $97,290 on the exploration of the Brechas Vacas Property, a decrease of $85,505 from expenditures of $182,795 during six months ended June 30, 2012. The larger amount invested in 2012 is due to the construction of 415 metres of sawn channel trenches which were then sampled.

After acquiring new Geoeye imagery for mapping in detail and contracting a ground magnetometer survey in 2012, the Company completed a full map on the Breccia Chinchillones-Chinchillones South-

Breccias Ridge-Porphyry A-De los Pozos Breccia areas during the period ended June 30, 2013. There was also work performed on infrastructure and gravel road access maintenance.

A more detailed description of the work performed can be found in section "Developments during the six months ended June 30, 2013" in this MD&A.

Chita Property

During the six months ended June 30, 2013, the Company spent $188,292 on exploration expenditures, a decrease of $4,632 compared to expenditures of $192,924 incurred during six months ended June 30, 2012.

After acquiring new Geoeye imagery for mapping in detail and contracting a ground magnetometer survey in 2012, the Company completed a full map on the Chita Porphyry North 1: 8,000 during the quarter ended June 30, 2013. There was also work performed on infrastructure and gravel road access maintenance.

A more detailed description of the work performed can be found in section "Developments during the six months ended June 30, 2013" in this MD&A.

Minas de Pinto Property

During the six months ended June 30, 2013, the Company spent $155,183 on the exploration of the Minas De Pinto Property, an increase of $38,771 from expenditures of $116,412 incurred during six months ended June 30, 2012.

After acquiring new Geoeye imagery for mapping in detail and contracting a ground magnetometer survey in 2012, the Company is mapping the south sector including Fatima, Carmen, Maria, Johana and Barba veins 1:1,000. There was also work performed on infrastructure and gravel road access maintenance.

A more detailed description of the work performed can be found in section "Developments during the six months ended June 30, 2013" in this MD&A.

La Rosita Property

During the six months ended June 30, 2013, the Company spent $10,453 on the exploration of the La Rosita Property, a decrease of $402,181 when compared to expenditures incurred during six months ended June 30, 2012. The Company dedicated significant resources to the La Rosita property during the 2012 fiscal year, and incurred significant expenditures related to mechanical trenching, sampling and road construction. The Company has scaled back the spending on the La Rosita property during fiscal 2013 due to financial restrictions.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three months ended June 30, 2013, the Company incurred expenses of $124,325. Expenditures decreased by $69,390 when compared to expenditures of $193,715 for the three months ended June 30, 2012. During the six months ended June 30, 2013, the Company incurred expenses of $227,548. Expenditures decreased by $158,611 when compared to expenditures of $386,159 for six months ended June 30, 2012

The significant decrease in total expenses is primarily due to a reduced amount of stock-based compensation expense and the result of the Company's focus on reducing its spending on corporate overhead.

Expenses related to stock-based compensation for the three and six month periods ended June 30, 2013 were $4,863 and $14,291 and relate to the vesting of 735,000 stock options of which 510,000 were

granted in 2012 and the remaining ones in prior periods. These amounts represent decreases of $111,494 and $51,300 when compared to stock-based compensation expense of $56,163 and $125,785 incurred during three and six month period ended June 30, 2012. This decrease is consequence of the completion of the vesting period on December 9, 2012 of 3,360,000 stock options that had been granted upon completion of the Qualifying Transaction.

The Company incurred professional and regulatory fees of $76,932 and $152,089 during the three and six month periods ended June 30, 2013. 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 decreased by $6,906 and $14,473 during the three and six month periods ended June 30, 2013 when compared to same periods ended June 30, 2012.

Marketing and communications expenses of $66 and $10,428 were incurred by the Company during the three and six month periods ended June 30, 2013. These expenses decreased by $772 and $22,623 when compared to the three and six month periods ended June 30, 2012.

The Company incurred general and administrative expenses of $6,446 and $14,722 during the three and six month periods ended June 30, 2013, representing decreases of $20,914 and $20,523 from similar expenses of $27,360 and $35,245 incurred during the three and six month periods ended June 30, 2012.

During the three and six month periods ended June 30, 2013, the Company earned a gain of $129,539 related to foreign exchange differences earned in the acquisition and disposition of short term investments. The Company did not have any such transactions during the same periods ended June 30, 2012.

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	**2013**		**2012**				**2011**	
For the quarters ended	**Jun**	**Mar**	**Dec**	**Sep**	**Jun**	**Mar**	**Dec**	**Sep**
	$							
Net Revenues	328	707	1,418	670	1,518	2,648	3,662	4,704
Net income (loss) for the period	5,542	(102,516)	(140,920)	(161,493)	(192,197)	(189,796)	(222,774)	(236,578)
Comprehensive Loss for the period	(82,222)	(184,527)	(326,361)	(555,940)	(262,693)	(335,416)	(389,340)	(53,131)
Income (Loss) per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(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 completed in 2011and exchange rate fluctuation of the Argentine peso.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $238,531 as at June 30, 2013, compared to working capital of $1,987,818 as at June 30, 2012. As at June 30, 2013, the Company held cash and cash equivalents of $303,044 versus $2,048,967 as at June 30, 2012. The Company also held highly liquid, short-term investments of $103,367 as at June 30, 2013.

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, 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 first two quarters of fiscal 2013.

The acquisition of the Chita property with medium term financing and the rescheduling of the Pinto Agreement staggered payments obligations and extending the term for exercising the purchase option, have significantly reduced the Company's payment commitments for 2013 and particularly for 2014 with respect to Chita and Minas de Pinto properties. These commitments are now US$295,000 and US$285,000, respectively. As at the date of this MD&A, the remaining balance to be paid during fiscal 2013 is US$ 160,000 in cash and US$ 20,000 in shares.

On June 28, 2013, the Corporation issued 419,000 shares to the owners of Brechas Vacas property at a deemed value of $0.05 per share in settlement of a US$20,000 payment in connection with the Option Agreement, raising the outstanding share capital to 40,157,266.

On August 14, 2013, the Corporation announced its intention to carry out a non-brokered private placement of units of the Company ("Units") for gross proceeds of $360,000 (the "Private Placement") at $0.10 per Unit, with each Unit consisting of one common share of the Company (each, a "Share") and one Share purchase warrant (a "Warrant"), with each Warrant exercisable into one Share at $0.35 for a term of two years from the date of issue. The net proceeds will be used by the Company for financing exploration costs, option payments relating to the Company's material properties and for general working capital purposes.

On August 21, 2013, the TSX-V granted conditional approval.

A portion of the gross proceeds is expected to be subscribed for by Compañía de Tierras Sud Argentino S.A. ("CTSA"), an insider and control person of the Company.

No commission or finder's fee will be paid in connection with the Private Placement. The Shares will be subject to a hold period of four months and a day from their date of issuance. The Company expects to complete the Private Placement in early September.

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 share position consists of:

Shares outstanding	40,157,266
Options outstanding	3,795,000
Warrants	2,552,633
Put and Call Option	790,000
TOTAL	**47,294,899**

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	-	2.94	June 9, 2016
$0.40	225,000	-	3.32	October 26, 2016
$0.19	255,000	255,000	4.13	August 17, 2017
	3,540,000	255,000	3.12	

Warrants Outstanding

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

Exercise Price	Warrants Outstanding	Remaining Contractual Life (Years)	Expiry Date
$0.35	2,552,633	1.21	June 18, 2014

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 this MD&A, the Company has made the first three payments totalling US$105,000 ($104,681) and is in compliance with their payment commitments. The payments related to the exercise of the Purchase Option will be made as follows (all amounts are in United States Dollars):

2013	$	35,000
2014	$	70,000
2015	$	70,000
2016	$	70,000
2017	$	70,000

A summary of the Company´s outstanding mineral property commitments, pursuant to property option agreements, as at June 30, 2013 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	50,000	75,000	125,000	20,000
	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		**560,000**	**450,000**	**1,010,000**	**200,000**

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		**1,095,000**	**1,785,000**	**2,880,000**	**735,000**

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.

During the period June 30, 2013, the contract expired and the outstanding balance of the contract (US$60,500) was reimbursed in full to the Company. Neither party has any further obligations related to the contract.

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 continued in effect until June 30, 2013.

On June 25, 2013, the Company and the President and CEO entered into a new services agreement with a term up to December 31, 2013 for a reduced annual fee of $84,000, consisting of salary and director fees of MSA, payable in monthly instalments by MSA. The agreement includes the same change of control provisions as discussed above. The parties plan to formally renew the agreement in due course. The agreement provides that the President and CEO may pursue outside business interests or directorships in other industries that do not interfere or conflict with his ability to carry out his duties as an officer and director of the Company and MSA.

The 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 expired January 18, 2013.

On February 3, 2013, the Company entered into a new consulting agreement with the Company's Vice-President (Exploration) containing similar compensation terms to the consulting agreement discussed above. The new consulting agreement was for a period of six months and expired June 30, 2013.

On June 17, 2013, the Company and the Company's Vice-President (Exploration) signed a new semi-annual consulting agreement for a reduced fixed monthly fee of $5,000, which replaces the monthly fees ranging between a minimum of $6,000 and a maximum of $ 8,500 pursuant to the prior agreement. The agreement does not provide for any payments in the event of a change of control or termination.

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

RELATED PARTY TRANSACTIONS

During the period ended June 30, 2013, the Company incurred the following related party transactions:

i) Transactions

a. A total of $70,000 was charged by the CEO of the Company.

c. A total salary of $22,768 was charged by an individual related to the Company's CEO.

d. A total of $22,140 of accounting and regulatory compliance fees and $12,000 of CFO fees was charged by an accounting firm in which the Company's CFO is a partner.

e. A total of $49,481 was charged by the Company's Vice-President (Exploration).

f. The amount of stock-based compensation expense for the period ended June 30, 2013 related to the continued vesting of stock options issued to key members of management was $9,461.

ii) Period-end Balances

a. As at June 30, 2013, accounts payable and accrued liabilities included $18,170 payable to accounting firm in which the Company's CFO is a partner.

b. As at June 30, 2013, accounts payable and accrued liabilities included $9,645 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 Company's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

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

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

These financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of the business. Accordingly, these financial statements do not give effect to adjustments that may be necessary, should the Company

be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these financial statements.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

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

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

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

RISK FACTORS

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

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
2013 – Q1	1,693	1,569	1,603	32	28	29
2013 – Q2	1,598	1,203	1,203	28	19	19

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.

ii) Chubut Province – New mining activities regulation raised to 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.

Regarding the Company's Carlos prospect (24,213 has), located in the nearby town of Paso del Sapo, Plato Central – Gastre Fault, the Company is positive 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, 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 doing 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.

In the context of the downsizing program and control of expenses, MSA abandoned the Sapo I and II claims (14,689 has) claimed for uranio located close to the western side of the Chubut River because of the lack of any geological evidence, financing and the unsuccessful result of finding a joint venture partner. MSA also abandoned the claim El Maisur (6,000 has) located in the touristic zone of El Maiten for similar reasons. In this claim, regional sampling did not produce any good indication that further exploration activity would lead to better results. All the expenses related to these properties had already been written off in the past.

The properties discussed above do not represent a material part of the Company's operations.

(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.

(iv) Santa Cruz Province:

During the past month of July the Government of Santa Cruz Province enacted a new tax law termed "Impuesto al Derecho de Propiedad Inmobiliaria Minera" that basically consist in taxing all the mining concessions granted by Santa Cruz Province that already filed a Feasibility Study with 1 % tax rate applicable directly to the reserves and resources valuated to market price payable on annual basis.

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

QUALIFIED PERSONS

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

ADDITIONAL INFORMATION

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