Management's Discussion and Analysis of the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Six Month Periods Ended June 30, 2014

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Six Month Periods Ended June 30, 2014

INTRODUCTION

The following is a Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Minsud Resources Corp. (the "Company" or "Minsud") to enable a reader to assess the financial condition and results of operations of the Company for the three and six month periods ended June 30, 2014.

This MD&A has been prepared as at August 26, 2014 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, 2014 (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 98.7% 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 ON FORWARD-LOOKING INFORMATION

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

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

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

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

CORPORATE OVERVIEW

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

As a result of its Qualifying Transaction, the Company acquired all of the issued and outstanding shares of Minsud Resources Inc. ("MSR") by way of a three cornered amalgamation resulting in the amalgamation of MSR and 1830835 Ontario Inc., a wholly owned subsidiary of the Company, to form MAI (the "Minsud Transaction"). At the time of the completion of the Minsud Transaction, MAI became the owner of 95% of the issued outstanding shares of MSA, which was previously held by MSR. As at June 30, 2014, MAI held 41,191,499 of the 41,734,099 outstanding common shares of MSA, representing an ownership interest of 98.7%.

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. All members of the Company's Board of Directors were re-elected as Board members at the annual Shareholders' Meeting held September 26, 2013.

Principal Business of the Company

The Company is focused on the business of mineral and resource exploration and development in Argentina through MSA, the Company's 98.7% controlled indirect subsidiary.

The Company's principal exploration project is the Chita Valley project consisting of three core contiguous properties, namely Brechas Vacas, Chita and Minas de Pinto mineral concessions (8,350 ha), and four additional claims adjacent to such properties, in total the company controls an area of 17,000 hectares or 174 square kilometers.

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. Following the preparation of the NI 43-101 Report, Minsud has acquired new claims adjacent to its core properties as explained in "Chita Valley Project – Mining Rights".

The Company also owns 100% of the mining rights at the La Rosita (9,970 ha) gold and silver prospect at the Deseado Massif – Santa Cruz Province, 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) in Argentina. Please read Recent Argentine regulation and important development on Page 39.

BUSINESS DEVELOPMENTS DURING THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

After raising $1,042,000 in the first quarter of 2014, the Company commenced this second quarter well-funded and immediately finalized the necessary agreements required to complete a diamond drilling program at the Chita South porphyry target. The diamond drilling program was designed to test a substantial zone of potentially mineralized multi-stage vein systems and hydrothermal breccias in the southeastern border zone of the Chita South Porphyry.

In April 2014, Minsud completed a restructuring and rescheduling of payments for the existing Minas de Pinto option agreement relating to the Minas de Pinto property. The Minas de Pinto owners settled the Minas de Pinto trust (the "Minas de Pinto Trust") and concurrently transferred 100% of the mining properties included in the former option agreement to the Minas de Pinto Trust. Simultaneously, MSA acquired a 50% interest in the Minas de Pinto Trust for total consideration of US$412,500 payable as follows: US$50,000 upon signature (paid as on June 30, 2014), US$50,000 on May 7, 2015; US$50,000 on November 7, 2015; US$57,500 on May 7, 2016; US$75,000 on May 7, 2017 and US$130,000 on May 7, 2018.

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

The remaining 50% beneficial interest in the Minas de Pinto Trust held by the former owners of Minas de Pinto properties is subject to a new exclusive and irrevocable purchase option agreement granted in favor of MSA. The option provides MSA with an irrevocable and exclusive right to purchase the remaining 50% beneficial interest in the Minas de Pinto Trust in addition to the exclusive right to evaluate, prospect and explore the Minas de Pinto properties for consideration of US$1,335,000 payable at any time on or before May 7, 2019.

After having restructured the Brechas Vacas Agreement during the 2013 fiscal year, and now the Minas de Pinto Agreement, Minsud´s management believes it has obtained sufficient financing and term relief required to continue its exploration of the Chita Valley Project.

During the second fiscal quarter of 2014, the Company constructed access roads and drilling pads and successfully completed 1,122 metres of diamond drilling over six holes in eight days without any accidents to report. Results of the drilling were reported in a press release disseminated on June 30, 2014.

On May 12, 2014 Minsud granted an aggregate of 1,040,000 incentive stock options under the Company's stock option plan, inclusive of an aggregate of 710,000 options issued to certain directors and officers. The options have an exercise price of $0.10 per share and shall vest as follows: one-quarter on May 12, 2014, one-quarter on November 12, 2014, one-quarter on February 12, 2015 and one-quarter on November 12, 2015. The options have a term of five years from May 12, 2014, the date of grant, in accordance with the Company's stock option plan. As of the date of this MD&A, a total of 5,255,000 common shares of the Company are outstanding and reserved for issuance under the Company's stock option plan.

Minsud plans to investigate the commercial possibilities for processing and recovering the key metals beginning with mineralogical, petrological and ore characterization tests on representative samples followed by bench-scale process test work as warranted. At the same time an outline drilling plan is recommended to delimit the deposit and evaluate the grade distribution of the mineralization as a precursor to a first stage resource estimate. This would require approximately 2,000 to 3,000 metres of core drilling.

Junior mineral exploration companies have been operating under highly stressed market conditions combined with poor venture capital markets since late 2011, followed by the current downturn in the prices of precious and base metals. Recently Argentina was declared in a state of "selective default" with respect to its external debt. (See "Recent Argentine Regulations and Important Development").

Despite this difficult framework, Minsud is commited to advance its exploration plan, following its strategy of systematic exploration and by taking a go-slow approach in light of the current market conditions.

Subsequent to June 30, 2014, Minsud announced that it intends to complete, subject to the approval of the TSX Venture Exchange (the "TSXV"), a non-brokered private placement of units of the Company ("Units") for gross proceeds of up to $1,100,000 (the "Private Placement") at $0.10 per Unit, with each Unit consisting of one common share of the Company (each, a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one Share at $0.35 for a term of two years from the date of issue, provided that in the event that the 20 day closing price of the Shares on the TSX Venture Exchange or such other stock exchange that the Shares may be then listed on is greater than $0.35, the Company shall be entitled to accelerate the exercise period of the Warrants to a period of not less than 10 days after written notice is deemed to have been received by the holders of the Warrants from the Company regarding same.

The net proceeds from the Private Placement will be used by the Company for financing a diamond drilling program of approximately 2,200 meters at the Chita South porphyry target, option payments relating to the Company's material properties and for general working capital purposes.

EXPLORATION DEVELOPMENTS DURING THE SIX MONTHS JUNE 30, 2014

I. CHITA VALLEY PROJECT

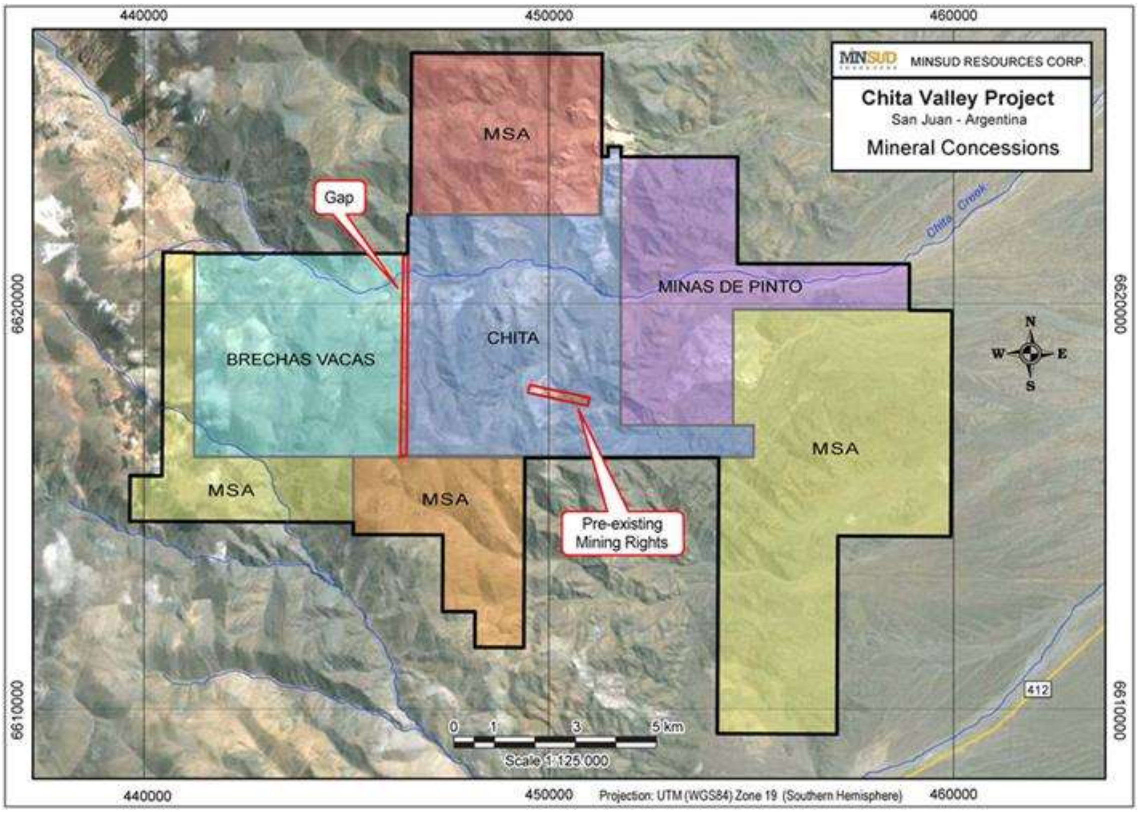
A) Mining rights

The Chita Valley Project consists of seven contiguous properties including the core properties Brechas Vacas, Chita and Minas de Pinto mineral concessions (8,350 ha).

Minsud, through its subsidiary MSA, also owns the Chita II claim (4,500 ha) that is still pending for approval and it has also requested approval for the New claim covering (1,244 ha) the western area adjacent to the Brechas Vacas property which, as of the date of this MD&A, is still pending for concession.

During the three months period ended June 30, 2014, MSA acquired two mining claims adjacent to Minsud's 100% owned Chita mining concession in exchange for a 2% Net Smelter Return (NSR) royalty on future production revenue from the acquired claims. Minsud has the right to purchase one half or 1% of the NSR royalty by paying US$750,000. The northern property is a mining claim granted covering 1,881 hectares and the southern property is a mining claim application pending for approval covering 1,304 hectares, as represented in the following properties map.

Minsud's Chita Valley Project now comprises 17,400 hectares or 174 square kilometers as shown in the following map:



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

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

In addition, a gap of 6.6 hectares between the properties of Chita and Brechas Vacas had been claimed by third parties and is currently under dispute with the local mining authority. The Graphic Register of Mines (Registro Gráfico de Minas) has denied registration to such third party´s claim. This step is in line with the stance of MSA in the sense that such claim has not enough surface for mineral dissemination nor for vein mineralization, according to the Argentine Mining Code. On September 17, 2013 the Legal Department of the Ministry of Mines of San Juan Province issued a legal opinion denying such third party claims based on the same plot as argued by MSA. The issue then progressed up to the Mining Council which issued the final resolution confirming denying the claim of the third parties and issuing an order to delete it from the Registro Gráfico de Minas. MSA had requested the extension of the mining concessions Chita I, II and V up to the western boundaries with Brechas Vacas covering the whole area.

B) Environmental Impact Reports

On October 18, 2012, the first bi-annual actualization of the Chita property EIR (Environmental Impact Report) was approved by the Ministry of Mining of San Juan Province. The Ministry 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. MSA has already filed the requested: (i) the report on glacier, periglacier and permafrost prepared by UMACONSULT, Dra Lydia E. Espizúa, Lic Jorge D. Bengochea, Lic Hernán Gargantini y Lic Pedro M. Pite. (ii) The flora and fauna report, prepared by Dr Jorge M. Gonnet. (iii) The Archeologic prospection report prepared by Lic Teresa Michieli.; and (iv) Water analysis based on samples taken by Lic Armando Sanchez. We have not yet received any comment or additional request from the Environmental authority.

During the year ended December 31, 2013, MSA filed the third actualization of the Environmental Impact Report for the Brechas Vacas and the second actualization for the Minas de Pinto properties. Both were filed within the legal term. Even though, the Mining code grants 60 days for its evaluation the corresponding approvals are still pending from the prominent authorities.

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 unconformable 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.

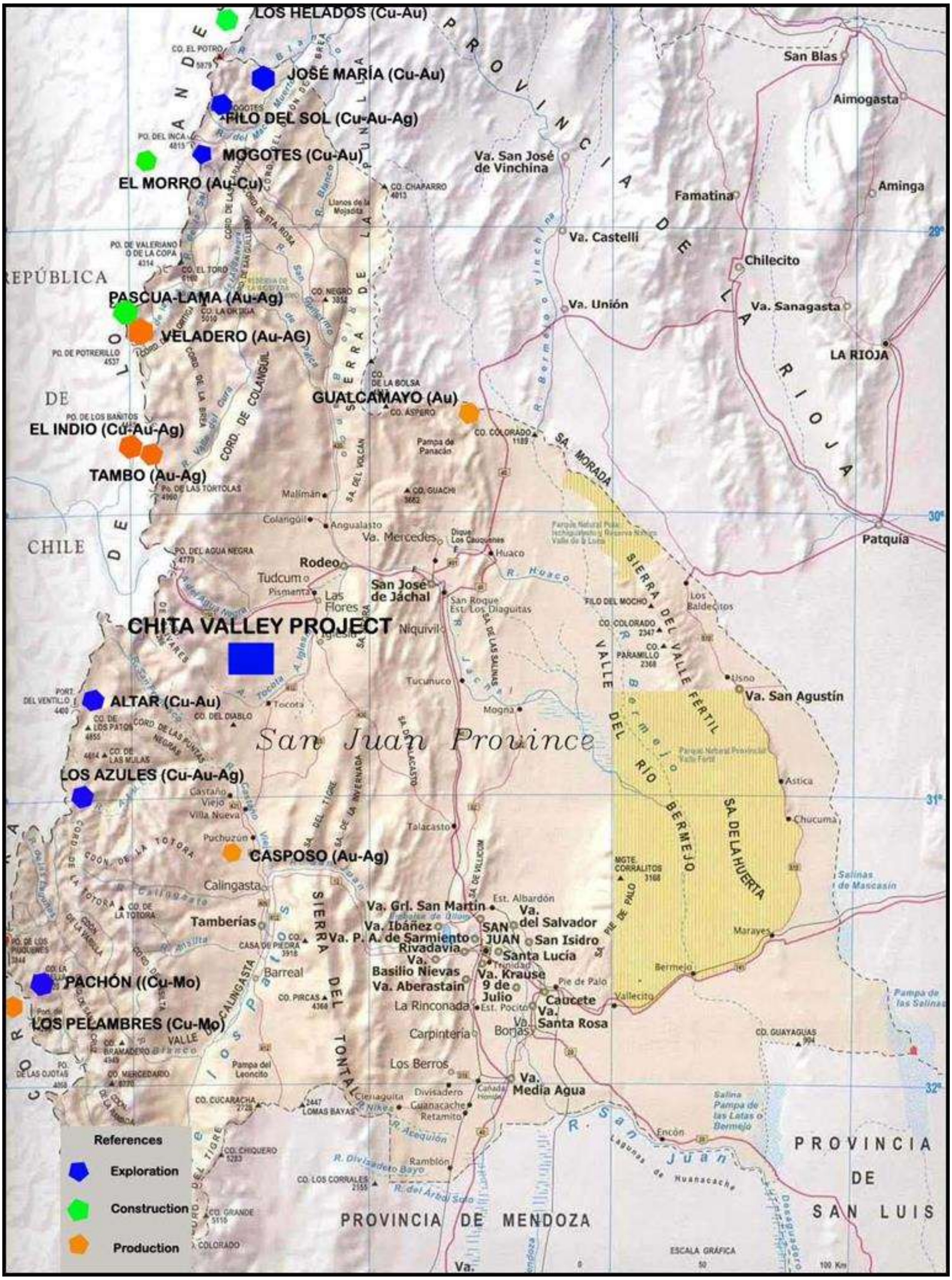
Outside of the El Indio Belt are the Casposo Au-Ag Mine of Troy Resources Limited in the Andean Frontal Cordillera and the Gualcamayo Au Mine of Yamana Gold Inc. in the Precordillera Belt farther to the east.

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

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

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



Exploration Work Performed by MSA from 2006 to 2013: After acquiring the Chita, Breccas Vacas and Chita II Properties between 2006 and 2007, 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 2013 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 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. 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

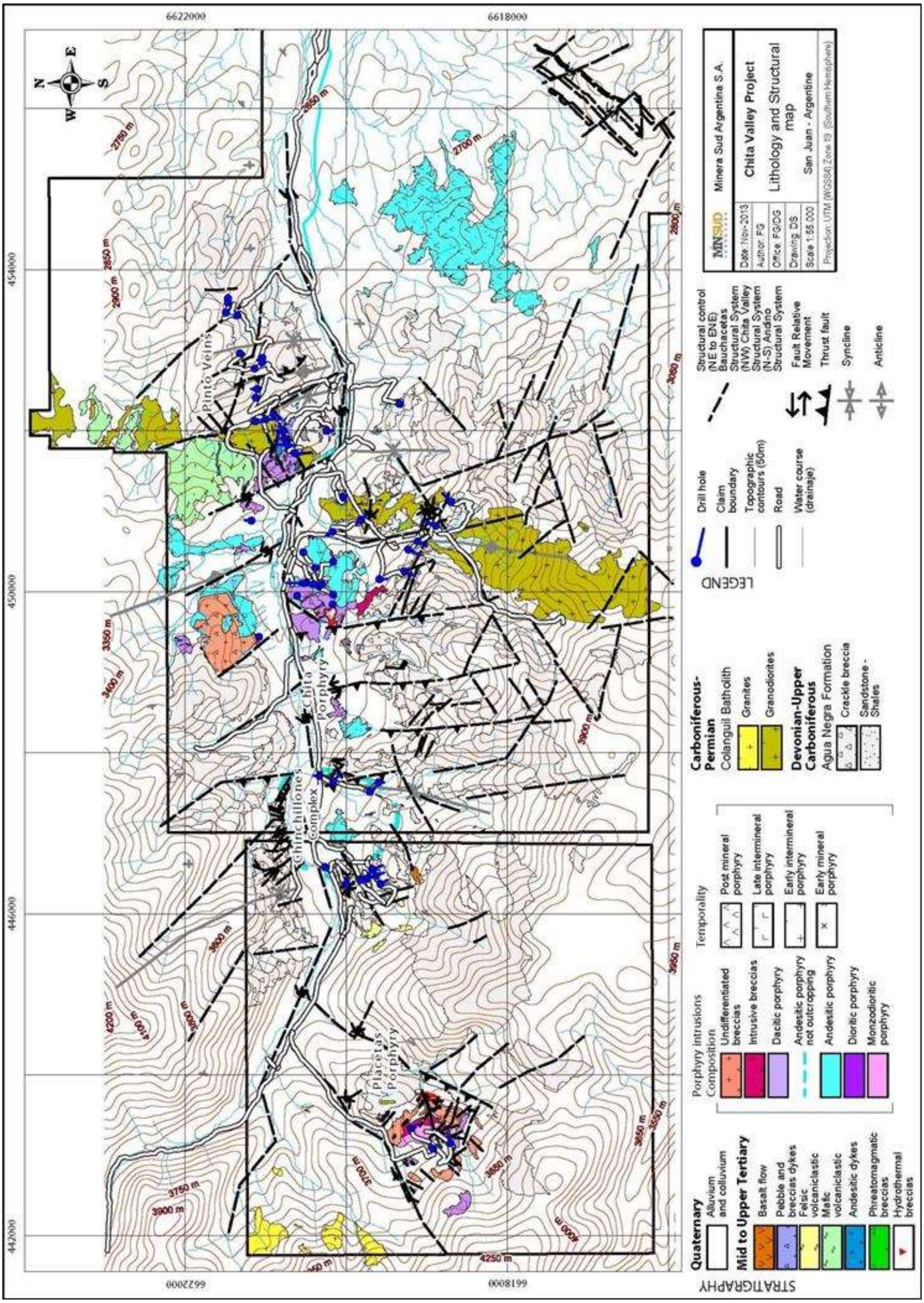
- Channel sampling of outcrops and hand dug trenches utilizing a portable diamond-blade saw to define geological units, alteration features and as an initial test of potentially mineralized structures.

- 2013 strategy for the Chita Valley Project was the continuation of systematic detailed geological mapping and alteration studies with selective surface sampling to the Chita North Porphyry, Breccias Ridge- Porphyry "A", Placetas Porphyry, Romina and Pinto sectors:
    - detailed surface geological and alteration mapping at 1:2,000 scale over the Chita North Porphyry, Romina, Placetas Porphyry and Pinto sectors and at 1:1000 scale over the Breccas Ridge and Porphyry A Prospects; and
    - Channel sampling of outcrops and hand dug trenches utilizing a portable diamond-blade saw to define geological units, alteration features and as an initial test of potentially mineralized structures.

Summary of Key Chita Valley Drilling/Channel Sampling Results

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

Property Geology Map



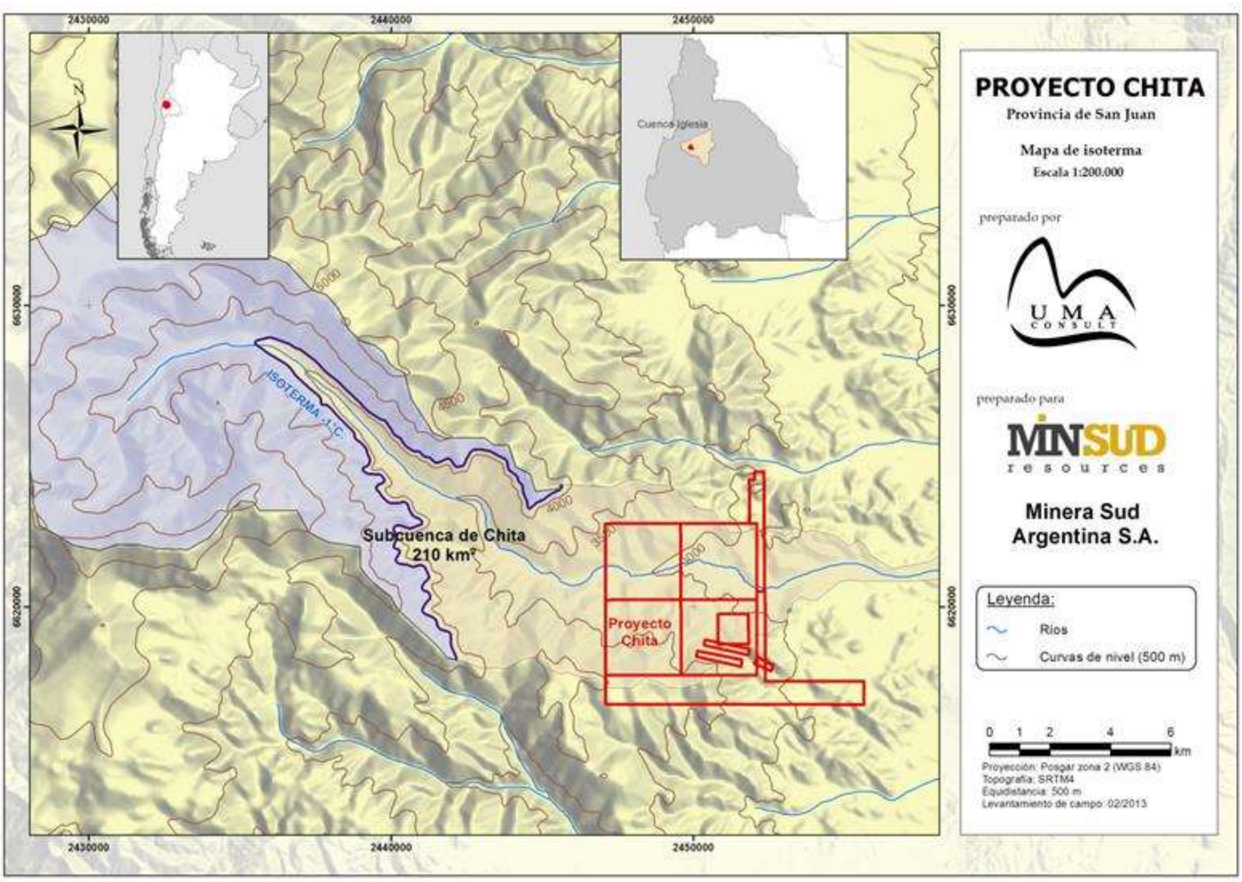
Environmental Studies: The type of work that was done on most parts of the current properties typically results in some land disturbance (for example drill access roads, grid lines, drill sites and surface trenches), but usually does not generally create significant pollution problems such as acid drainage and metal leachate. However, some very localized artisanal mine/waste rock sites (examples; Fatima, Carmen, Barba, Argentina and Romina veins) do have such pollution risks, albeit modest. There are no conventional mine, processing plant or tailings/waste rock sites on the Chita Valley properties. The basic task at this time is to define baseline parameters so that the environmental situation can be documented in its semi-natural state prior to potential major mining/processing activities.

In 2010 the Argentina federal government enacted the Glaciers Law, which aims to preserve glaciers and periglacial areas for strategic water reserves, the protection of biodiversity and for scientific and tourism interests. The areas primarily affected by the legislation, southern Patagonia and the mountainous terrain along the Andean border with Chile, are also the country's richest sources of mineral resources. For the practical purpose of conducting exploration work requiring heavy machinery, such as drilling equipment, etc., a glaciological report verifying the absence of ice and rock glaciers and permafrost areas must be completed. In February 2013, Minsud retained Argentine glaciological consultants UMAconsult S.A. to complete a report on the Chita mining concessions. This study has shown that no active glaciers, rock glaciers or permafrost areas are present on the Chita concessions.

It is also noted by UMAconsult, on the basis of regional meteorological data, satellite imagery and field observations, that the -1 degree C isotherm (the lower limit of discontinuous permafrost) is at the elevation of approximately 4,100 m ASL. This is very encouraging for potential exploration programs on the Brechas Vacas, Pinto and Chita II areas where all current target areas lie between 3,000 and 4,000 m ASL.

Glaciological reports are required for the Brechas Vacas, Pinto and Chita II areas prior to conducting advanced exploration work.

Chita Valley Region, -1°C isotherm



Exploration Work Performed by MSA in the first half 2014: The initial part of the first quarter was taken up by completion of internal data management and reporting with respect to the 2013 exploration program and planning/budgeting for the 2014 program. Also early in Q1 final analytical results were obtained for Q4 2013 work in the eastern part of the Pinto Property. Field work commenced with detailed mapping and channel sampling along proposed drilling sections in the Chita South Porphyry sector of the Chita Property. The second quarter work included additional mapping/sampling work, magnetometer surveying (including infill lines and expansion of coverage of the 2012 survey area), and completion of a 6 hole, 1122 meter HQ diamond drilling program at Chita South.

The Minas de Pinto sector work was described in the 2014 Q1 MD&A and the reader is directed to that document for additional details which is available under the Company´s profile under www.sedar.com.

The Chita South Porphyry Sector was the focus of most of the Minsud's exploration efforts in the first half of 2014. The Company recently completed a 6 hole, 1,122 meter diamond drilling program in the Chita South Porphyry sector of the Chita Valley Project. The program tested targets identified during the systematic multidisciplinary exploration program conducted in the sector in 2013 and more detailed work conducted in the first quarter of 2014. The drill holes tested a substantial zone of Cu-Ag-Mo-Au mineralized multi-stage vein systems and hydrothermal breccias in the southeastern border zone of the sector.

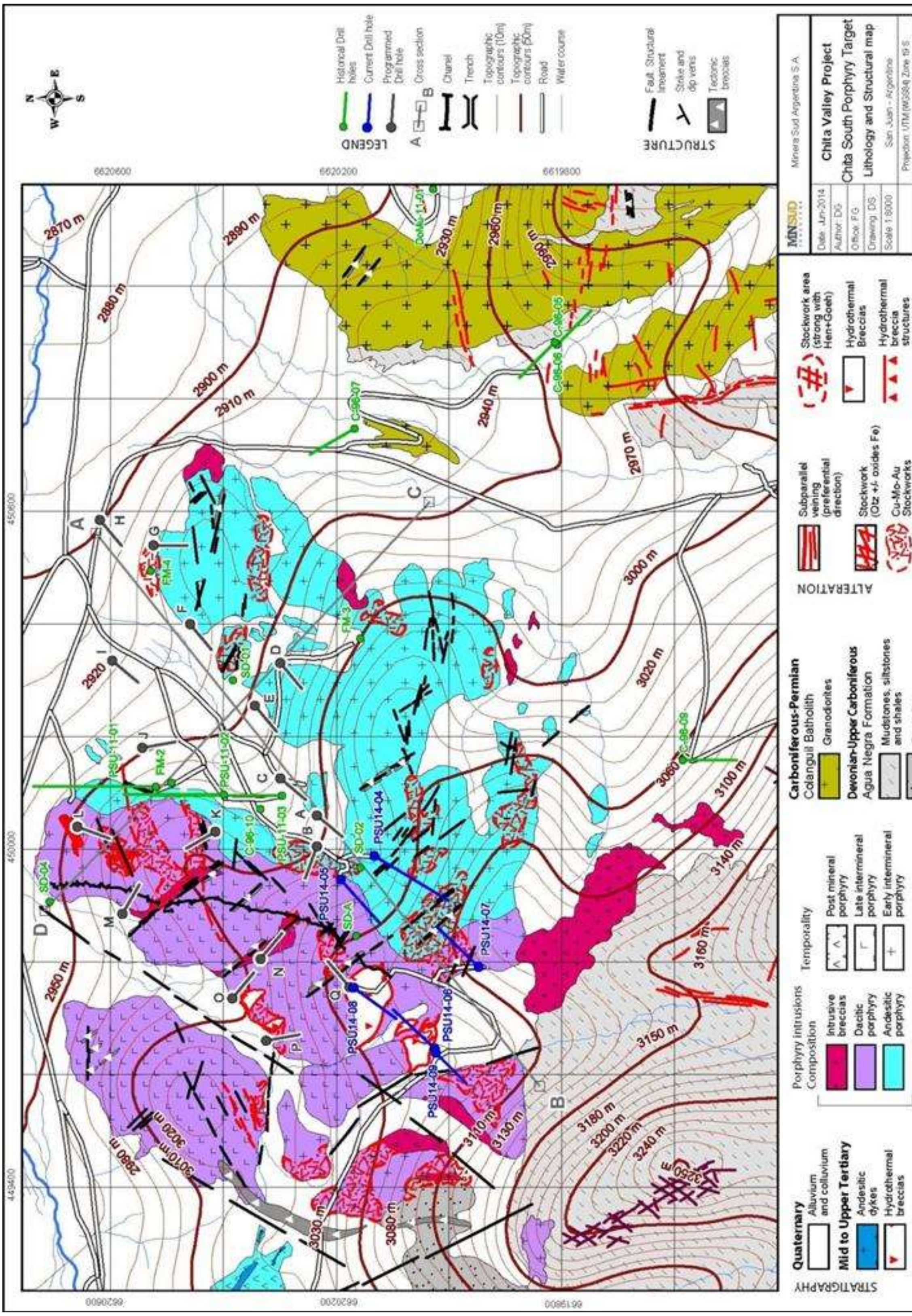
All 6 holes intersected substantial core lengths of mineralization at relatively shallow depth beneath the zone of surficial weathering and oxidation. See following table. . Better Cu values are typically associated with the zone of supergene enrichment and the transition to primary mineralization at depth.

Chita South Porphyry 2014 Drilling Highlights

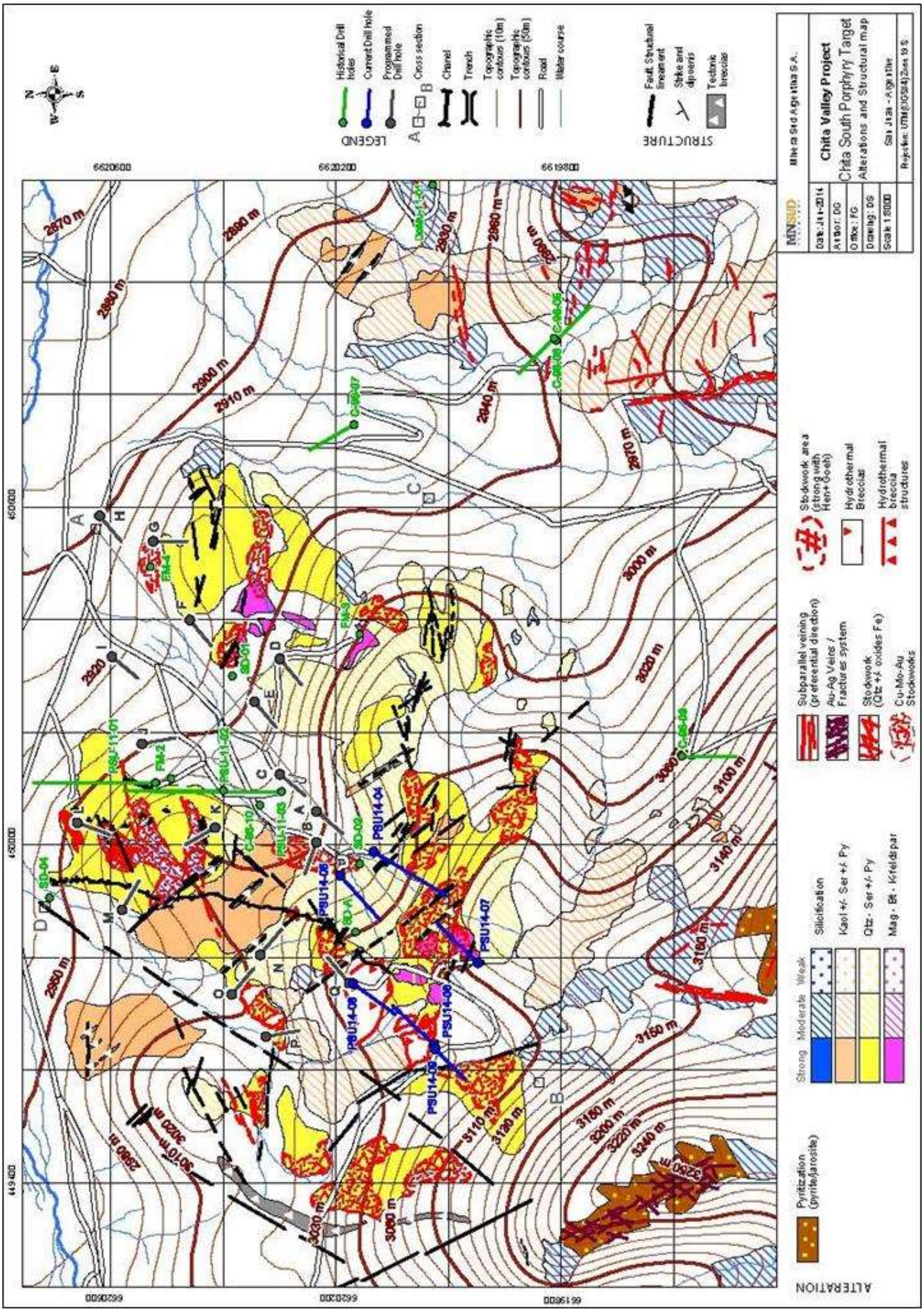
Drill Hole	From M	To M	Interval M	Au ppm	Ag ppm	Cu %	Mo %
PSU14-04	16.00	92.00	76.00	0.06	6.8	0.41	0.022
incl.	36.00	52.00	16.00	0.00	21.7	0.59	0.020
PSU14-05	24.00	96.00	72.00	0.05	1.0	0.36	0.021
incl.	58.00	68.00	10.00	0.05	1.4	0.59	0.028
PSU14-06	28.00	54.00	26.00	0.04	2.1	0.34	0.016
PSU14-07	24.00	122.00	98.00	0.04	1.0	0.25	0.014
PSU14-08	40.00	96.00	56.00	0.09	3.0	0.40	0.013
incl.	54.00	68.00	14.00	0.13	5.8	0.46	0.016
incl.	88.00	96.00	8.00	0.11	3.8	0.54	0.014
PSU14-09	8.00	16.00	8.00	0.13	7.5	0.06	0.019
And	26.00	60.00	34.00	0.06	3.9	0.33	0.019

The mineralized sections include disseminated sulphides as well as A, B and D-type veins hosted by multiple stages of epizonal intrusions and hydrothermal breccias. Lithological units (Map 1), alteration patterns (Map 2) and magnetic anomalies (Map 3) are shown in the following maps. Historical, current and proposed drill hole locations are also shown on the maps.

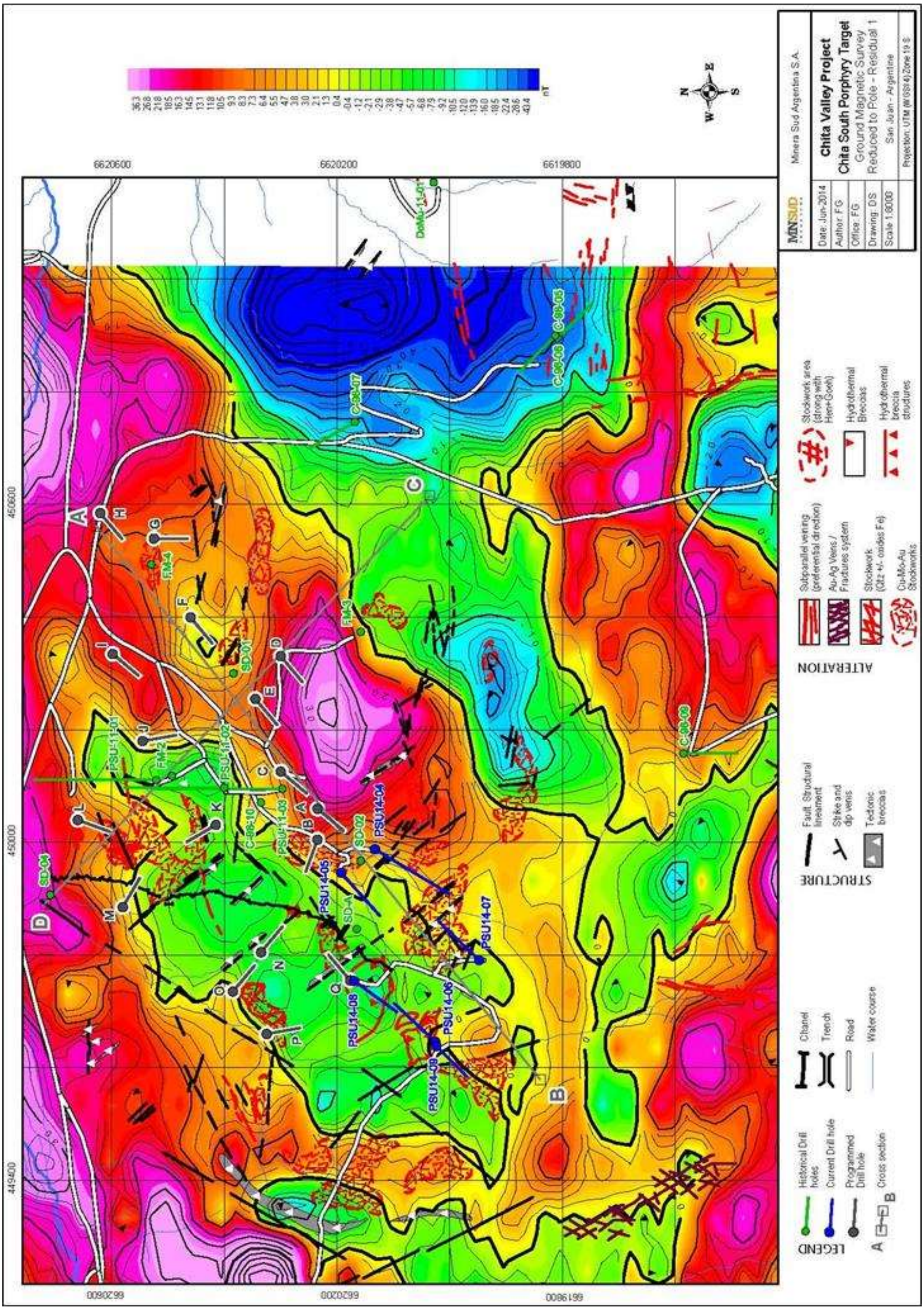
Map 1: Chita South Porphyry Lithological & Structural Map



Map 2: Chita South Porphyry Alteration & Structural Map



Map 3: Chita South Porphyry Ground Magnetic Survey, Reduced to Pole Residual 1



All 2014 core samples were submitted to the ALS Laboratories laboratory in Mendoza, Argentina for preparation and analysis. ALS is certified to ISO-9001 international standards. All samples were analyzed for Au by fire assay/ AA finish, 50 g, plus a 39-element ICP scan. Minsud includes field duplicates, standards and blanks with all sample shipments. Sequential Cu analyses from ALS are pending for all higher grade Cu sections and a selection of pulps will be submitted to a certified referee laboratory for analysis.

Also shown below for information purposes are previously reported Minsud drilling results (PSU11-series) from the Chita South area along with historical drilling data (SD and FM- series).

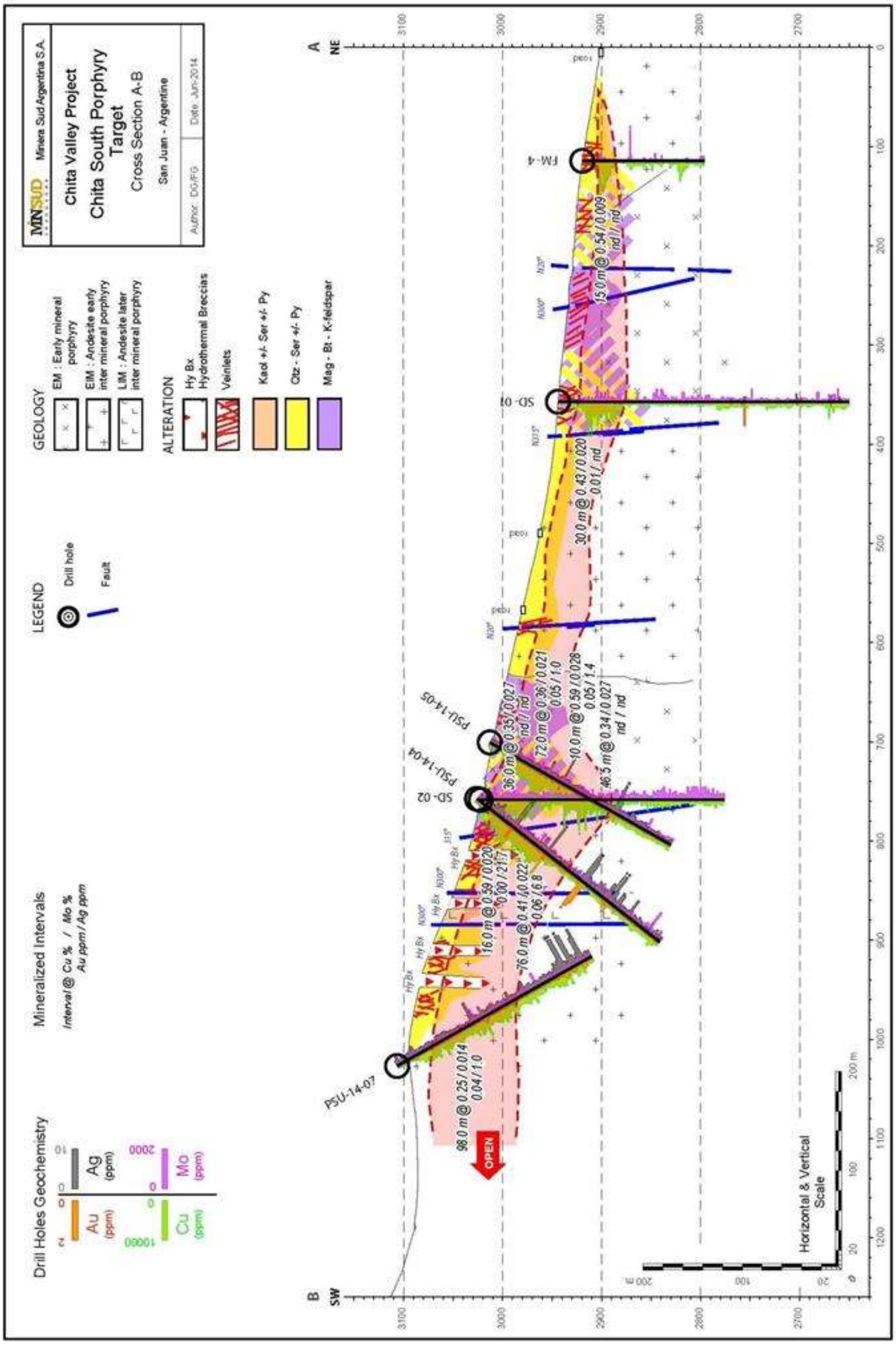
Chita South Porphyry Previous Drilling Highlights

Drill Hole	From m	To M	Interval M	Au ppm	Ag ppm	Cu %	Mo %
PSU11-01	3.00	19.00	16.00	2.23	15.6	0.04	0.028
Incl	8.00	10.00	2.00	16.93	27.8	0.03	0.010
And	48.00	71.00	23.00	0.03	4.5	0.35	0.031
And	114.00	126.00	12.00	0.69	35.7	0.21	0.034
PSU11-02	41.00	72.00	31.00	0.02	3.1	0.41	0.045
SD-01	28.50	58.50	30.00	0.01	no data	0.43	0.020
SD-02	15.00	51.00	36.00	no data	no data	0.35	0.027
And	84.00	130.50	46.50	no data	no data	0.34	0.027
SD-A	28.50	51.00	22.50	no data	no data	0.49	0.022
FM-02	48.00	67.50	19.50	no data	no data	0.21	0.048
FM-03	34.50	57.00	22.50	no data	no data	0.24	0.007
FM-04	16.50	31.50	15.00	no data	no data	0.54	0.009

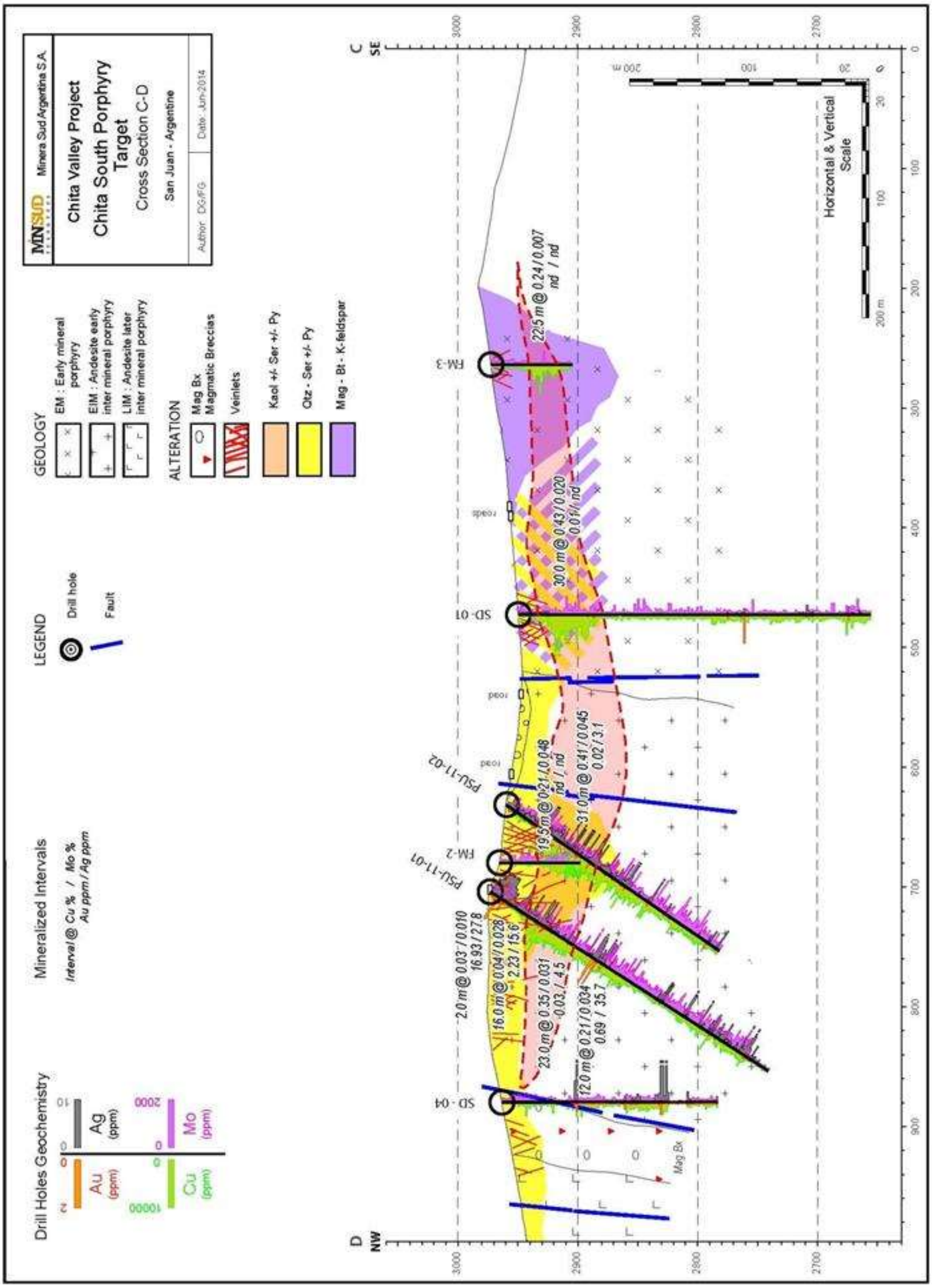
Minsud is encouraged by the generally consistent elevated concentrations of Cu, Ag and Mo as well as the more localized anomalous Au values. Preliminary indications from the cross sections below (Cross Sections A-B and C-D) show a highly favorable mineralization/waste ratio for possible mining scenarios. With maximum elevation in the sector below 3,100 m ASL (Metres above mean sea level) field conditions are benign on a year round basis and no active alpine glacial conditions are possible below approximately 4,100 m ASL.

Minsud plans to investigate the commercial possibilities for processing and recovering the key metals beginning with mineralogical, petrological and ore characterization tests on representative samples followed by bench-scale process test work as warranted. At the same time, an outline drilling plan is recommended to delimit the deposit and evaluate the grade distribution of the mineralization as a precursor to a first stage resource estimate. Approximately 2000 to 3000 metres of core drilling will be required.

Cross Section A-B



Cross Section C-D



II. LA ROSITA PROJECT

A) Mining rights

The La Rosita project is 100% owned by MSA and is made up of the mining concessions Alfa, Alfa II and Alfa III as requested by MSA within the terms granted under the La Rosita claim.

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 July 8, 2014 the first actualization of the EIR summited by MSA in term was approved by the prominent authority of the Santa Cruz Province, now valid for two years.

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.

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

- a ground magnetometer survey covering some 16 km^2 (320.3 line km),
- detailed surface geological mapping and at 1:2,000 scale over an area of approximately 6 km^2, and
- 3.5 line km of mechanical trenches (51 trenches) to define geological units, alteration features and as an initial test of potentially mineralized structures.

- About 22 km of bush road construction was carried out to allow easy access the main target areas.

Initial reconnaissance work by 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 Mogotes Hill, all lithologic units are typical of the Chon Aike Formation.

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

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

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

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.

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.

No exploration field work was conducted in 2013 or the first half of 2014.

SELECTED ANNUAL INFORMATION

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

	As at and for the Year Ended December 31, 2013 ($)	**As at and for the Year Ended December 31, 2012 ($)**	**As at and for the Year Ended December 31, 2011 ($)**
Other Income	183,191	6,254	11,302
Net loss for the year	(216,715)	(684,406)	(2,343,210)
Comprehensive loss for the year	(1,291,447)	(1,480,410)	(2,465,473)
Assets	5,586,376	6,475,129	6,592,830
Liabilities	311,154	524,177	302,265
Working Capital	(37,591)	918,651	2,260,363
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	9,041,202	8,769,179	7,972,902
Shareholders' Equity	5,051,910	5,950,952	6,290,565

PROJECT EXPENDITURES

Project expenditures for the three months ended June 30, 2014 are as follows:

Three months ended June 30, 2014	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	21,993	4,341	463,407	NIL	NIL	406	490,147
Drilling	NIL	208,108	NIL	NIL	NIL	NIL	208,108
Road Construction	NIL	44,369	NIL	NIL	NIL	NIL	44,369
Assays	NIL	25,171	NIL	NIL	NIL	NIL	25,171
Geophysics	9,519	8,698	2,298	NIL	NIL	NIL	20,515
Labour and Technical Fees	3,997	110,568	3,881	78	396	NIL	118,920
Vehicles and Equipment	NIL	19,808	NIL	NIL	395	NIL	20,203
Travel and Lodging	264	26,078	8	NIL	371	NIL	26,721
Project Management	5,513	32,947	6,545	3,825	2,930	452	52,212
VAT Paid	2,325	64,389	868	NIL	356	NIL	67,.938
Current Expenditures	**43,611**	**544,477**	**477,007**	**3,903**	**4,448**	**858**	**1,074,304**
Currency Translation Adjustment	(69,471)	(106,996)	(50,245)	(7,548)	(23,523)	(31)	(257,814)
Balance – beginning of period	**1,400,825**	**1,910,560**	**768,166**	**151,680**	**492,155**	**94**	**4,723,480**
Balance – end of period	**1,374,965**	**2,348,041**	**1,194,928**	**148,035**	**473,080**	**921**	**5,539,970**

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

Project expenditures for the six months ended June 30, 2014 are as follows:

Six months ended June 30, 2014	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	21,993	63,832	463,407	NIL	NIL	406	549,638
Drilling	NIL	208,108	NIL	NIL	NIL	NIL	208,108
Road Construction	NIL	44,369	NIL	NIL	NIL	NIL	44,369
Assays	NIL	25,171	1,524	NIL	NIL	NIL	26,695
Geophysics	9,519	8,698	2,298	NIL	NIL	NIL	20,515
Labour and Technical Fees	15,840	175,789	19,123	495	2,524	NIL	213,771
Vehicles and Equipment	1,300	30,737	1,300	NIL	628	NIL	33,965
Travel and Lodging	1,003	33,461	747	NIL	371	NIL	35,582
Project Management	10,058	63,754	12,435	7,615	8,917	452	103,231
VAT Paid	2,664	67,368	2,093	46	812	NIL	72,983
Current Expenditures	**62,377**	**721,287**	**502,927**	**8,156**	**13,252**	**858**	**1,308,857**
Currency Translation Adjustment	(311,590)	(412,963)	(175,503)	(33,668)	(106,265)	(48)	(1,040,037)
Balance – beginning of period	**1,624,178**	**2,039,717**	**867,504**	**173,547**	**566,093**	**111**	**5,271,150**
Balance – end of period	**1,374,965**	**2,348,041**	**1,194,928**	**148,035**	**473,080**	**921**	**5,539,970**

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

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.

Brechas Vacas Property

During the six months ended June 30, 2014, the Company spent $40,384 on the exploration of the Brechas Vacas Property, a decrease of $56,906 from expenditures of $97,290 during the six months ended June 30, 2013. The Company's expenditures of $21,618 during the three months ended June 30, 2014 represent a decrease of $17,484 from expenditures of $39,102 incurred during the three months ended June 30, 2013.

Expenditures incurred during the three months ended June 30, 2014 are primarily related to labour and technical fees, project management and geophysics magnetometer surveying over 223.6 km at the Chita Valley Project, of which 103.8 km (30 lines) were made at Brechas Vacas property.

Since 2013, the Company is conducting mapping, lithology and alteration and channel sampling on each identified target. While following this systematic process, the Company rotates the team and fieldworks among the different targets, and this is the main reason that explains the variations between the periods and the targets.

Chita Property

During the six months ended June 30, 2014, the Company spent $657,455 on exploration expenditures, an increase of $469,163 compared to expenditures of $188,292 incurred during six months ended June 30, 2013. The Company's expenditures of $540,136 during the three months period ended June 30, 2014 represent an increase of $476,434 from expenditures of $63,702 incurred during the three months ended June 30, 2013.

This increase is related primarily to 1,122 meters of diamond drilling over six holes which was carried out over eight days at an efficient cost of U$S 160/mt (drilling outsourced), as well as construction of access roads and drilling pads, geochemical assays and the technical team on site. Secondly, geophysics magnetometer surveying over 94.7 km (22 lines) was also undertaken.

The Company incurred acquisition costs of $63,832 during the six months ended June 30, 2014 related to the effect on exchange rate of the Chita property acquisition payable which has been established in United States dollars.

Minas de Pinto Property

During the six months ended June 30, 2014, the Company spent $39,520 on the exploration of the Minas De Pinto Property, a decrease of $115,663 from expenditures of $155,183 incurred during six months ended June 30, 2013. The Company's expenditures of $13,600 during the three months ended June 30, 2014 represent a decrease of $86,782 from expenditures of $100,382 incurred during the three months ended June 30, 2013.

During the three month period ended June 30, 2014 MSA completed geophysics magnetometer surveying over 5 km (5 lines) as explained previously.

During the three month period ended June 30, 2014 MSA also incurred costs of $463,407 related to its acquisition of a 50% interest in the Minas de Pinto Trust, which holds title to the 100% of the Minas de Pinto properties. The terms of the acquisition and the related financing and the terms of the Trust are described in note 6 of the Financial Statements.

A more detailed description of the work performed in Brechas Vacas, Chita and Minas de Pinto properties can be found in the "Developments during the six months ended June 30, 2014" section in this MD&A.

La Rosita Property

During the six months ended June 30, 2014, the Company spent $13,252 on the exploration of the La Rosita Property, an increase of $2,799 when compared to expenditures of $10,453 incurred during six months ended June 30, 2013. The Company has scaled back the spending on the La Rosita property during fiscal 2013 and 2014 due to financial restrictions.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three months ended June 30, 2014, the Company incurred expenses of $97,385. Expenditures decreased by $26,940 when compared to expenditures of $124,325 for the three months ended June 30, 2013. During the six months ended June 30, 2014, the Company incurred expenses of $181,959. Expenditures decreased by $45,589 when compared to expenditures of $227,548 for the six months ended June 30, 2013. The decrease in total expenses is primarily due to a reduced amount of professional fees charged as well as the timing of the recognition of taxes levied by the Argentine tax authorities related to the foreign ownership of the MSA shares. The Company continued to focus on reducing its spending on corporate overhead.

Expenses related to stock-based compensation for the three and six month periods ended June 30, 2014 were $21,925 and $29,273 respectively, and relate to the vesting of 1,040,000 stock options granted during the quarter ended June 30, 2014, as well as the continued vesting of options issued in prior periods. These amounts represent increases of $17,062 and $14,982 when compared to stock-based compensation expense of $4,863 and $14,291 incurred during three and six month period ended June 30, 2013. The increase in stock-based compensation year-to-year is a factor of the timing related to the vesting of stock options during the fiscal year.

The Company incurred professional and regulatory fees of $59,160 and $113,396 during the three and six month periods ended June 30, 2014. 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 $17,772 and $38,693 during the three and six month periods ended June 30, 2014 when compared to same periods ended June 30, 2013. These decreases reflect the Company's efforts to conserve resources to dedicate towards the exploration programs. In July 2013 Minsud implemented a reduction in salaries and fees of senior management, the effects of which are now evident.

Marketing and communications expenses of $2,128 and $11,686 were incurred by the Company during the three and six month periods ended June 30, 2014. These expenses increased by $2,062 and $1,258 when compared to the three and six month periods ended June 30, 2013.

The Company incurred general and administrative expenses of $7,183 and $14,612 during the three and six month periods ended June 30, 2014, representing an increase of $737 and a decrease of $110 from similar expenses of $6,446 and $14,722 incurred during the three and six month periods ended June 30, 2013.

During the six months ended June 30, 2014 the Company continued its efforts to minimize expenditures to allow the Company to focus its resources on the systematic exploration of its properties. These efforts are reflected in the decreases in the above-noted expenses experienced during fiscal 2013 and 2014. Also, see description of reduced expenditures under heading "Business Developments During the Three and Six Month periods ended June 30, 2014".

During the three and six month periods ended June 30, 2014, the Company incurred expenses of $6,003 and $12,992 for taxes payable related to the ownership of MSA. During the three and six months ended June 30, 2013, the Company recognize a similar expense of $36,018. The differences are strictly due to timing of the expense.

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, 2014.

Finally, the significant currency translation adjustment that resulted in losses of $750,999 during the three months ended March 31, 2014, and $241,194 during the three months ended June 30, 2014 was due to a combination of two factors. First, the accelerated trend of devaluation of the Argentine Peso against the American Dollar, and secondly the revaluation of the American Dollar against the Canadian Dollar. The change in the value of the Argentine Peso relative to the other currencies noted has impacted directly on the net assets of MSA which are located in Argentina and has had a significant negative impact when translating the accounts of MSA in accordance with IFRS, with the capitalized project expenditures having the most significant impact.

Therefore the abovementioned significant currency translation adjustment has to do with the amounts capitalized in project expenditures but not on the Company's liquid assets.

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	**2014**		**2013**				**2012**	
For the quarters ended	**Jun**	**Mar**	**Dec**	**Sep**	**Jun**	**Mar**	**Dec**	**Sep**
	$							
Net Revenues	Nil	Nil	349	143	328	707	1,418	670
Net income (loss) for the period	(97,385)	(84,574)	(86,840)	(32,901)	5,542	(102,516)	(140,920)	(161,493)
Comprehensive Loss for the period	(338,579)	(835,573)	(511,678)	(513,020)	(82,222)	(184,527)	(326,361)	(555,940)
Income (Loss) per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)

Factors affecting quarterly results

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

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficiency of $101,670 as at June 30, 2014, compared to working capital of $238,531 as at June 30, 2013. As at June 30, 2014, the Company held cash and cash equivalents of $178,169 versus $303,044 as at June 30, 2013.

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 has implemented a downsizing plan that includes maintaining core personnel in the office, while lowering the compensation package for the foreseeable future.

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

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

During January 2014, the Argentine Government implemented a macro-devaluation of approximately 23%, and simultaneously raised the domestic interest rates by absorbing Argentine pesos through the Central Bank in order to support this new exchange rate.

On February 22, 2014 the Company issued 10,420,004 units (pursuant to a non-brokered private placement) for proceeds of $1,042,000, of which $992,000 (AR$ 6,985,017) were received through MSA at the new and raised official exchange rate. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.35 per share for a period of 24 months from the date of the private placement.

The net proceeds were used by the Company to finance a diamond drilling program of 1,122 metres at the Chita South porphyry target, settling option payments related to the Company's material properties and for general working capital purposes.

This is the third non-brokered private placement closed by the Company since the venture capital market deepened its downturn in 2012. Key shareholders have participated in all three private placements. Other investors in the private placements include existing and new shareholders that share the long term vision of the Company. Management is constantly seeking shareholders with medium and long term vision to establish a strong investor base to help Minsud outlast the poor condition of the venture capital markets.

The downsizing plan, the restructured property payments and the recent private placement will enable the Company to maintain its spending commitments and to continue exploring the Chita Valley Project.

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

On August 15, 2014, the Company announced its intent to complete a non-brokered private placement for gross proceeds of up to $1,100,000. The proceeds will primarily be used for 2,200 metres of core drilling at the Chita porphyry target.

Share Capital

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

Shares outstanding	54,387,270
Options outstanding	5,255,000
Warrants	14,020,004
Put and Call Option	790,000
TOTAL	**74,452,274**

Options Outstanding

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

Exercise Price	Options Vested	Options Unvested	Remaining Contractual Life (Years)	,Expiry Date
$0.40	2,960,000	-	1.77	June 9, 2016
$0.40	225,000	-	2.15	October 26, 2016
$0.19	450,000	-	2.96	August 17, 2017
$0.10	290,000	290,000	4.09	October 3, 2018
$0.10	260,000	780,000	4.69	May 12, 2019
	4,185,000	1,070,000	2.41	

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	3,600,000	1.02	September 10, 2015
$0.35	10,420,004	1.50	February 22, 2016
	14,020,004	1.38	

Put and Call Option

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

COMMITMENTS AND CONTINGENCIES

Mineral Property Commitments

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

		Options (Contingency payments)		Property acquisition financing			TOTAL
Staggered payments	**Year**	**50% Brechas Vacas**		**50% Minas de Pinto Trust**	**100% Chita**	**Subtotal**	
		Cash	**Shares**	**Cash**			
		US$	US$	US$	US$	US$	US$
	2014	-	-	-	35,000	35,000	35,000
	2015	50,000	-	100,000	70,000	170,000	220,000
	2016	60,000	-	57,500	70,000	127,500	187,500
	2017	110,000	60,000	75,000	70,000	145,000	255,000
	2018	180,000	80,000	130,000	-	130,000	310,000
	2019	100,000	40,000	-	-	-	100,000
Total staggered payments		**500,000**	**180,000**	**362,500**	**245,000**	**607,500**	**1,107,500**
Option payments	**Year**	**50% Brechas Vacas**		**50% Minas de Pinto Trust**			**TOTAL**
		Cash	**Shares**	**Cash**			**Cash**
		US$	US$	US$			US$
	2019	535,000	535,000	1,335,000			1,870,000
Total Option payments		**535,000**	**535,000**	**1,335,000**			**1,870,000**
Total payments		**1,035,000**	**715,000**	**1,697,500**	**245,000**	**1,942,500**	**2,977,500**

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 and the 50% interest in the Minas de Pinto Trust, 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.

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

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

Further information is disclosed in Note 6 of the Financial Statements and under heading "Business Developments During the Six Months Ended June 30, 2014".

Services agreement with the Company's President and CEO:

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

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

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

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

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

RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2014, the Company incurred the following related party transactions:

i) Transactions

a. The Company borrowed, and repaid in full, 500,000 Argentine Pesos (approximately $72,539) plus accrued interest and related expenses of 9,293 Argentine Pesos (approximately $1,348) to Compañía de Tierras Sud Argentino S.A., an insider and control person of the Company.

b. A total of $42,000 was charged by Carlos Massa, the CEO of the Company.

c. A total salary of $18,063 was charged by Ramiro Massa, an individual related to the Company's CEO, for financial and operational management services in his role as Controller of the Company's subsidiary MSA.

c. A total of $16,444 of accounting and regulatory compliance fees and $9,000 of CFO fees was charged by Forbes Andersen LLP, an accounting firm in which Paul Andersen, the Company's CFO, is a partner.

d. A total of $30,000 was charged by Howard Coates, the Company's Vice-President (Exploration).

e. The amount of stock-based compensation expense for the six months ended June 30, 2014 related to stock options granted to key members of management was $19,765.

ii) Period-end Balances

a. As at June 30, 2014, accounts payable and accrued liabilities included $1,811 payable to the CEO of the Company.

b. As at June 30, 2014, accounts payable and accrued liabilities included $44,605 payable to Forbes Andersen LLP, accounting firm in which Paul Andersen, the Company's CFO, is a partner.

c. As at June 30, 2014, accounts payable and accrued liabilities included $5,930 payable to Howard Coates, the Company's Vice-President (Exploration).

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

OFF-BALANCE SHEET TRANSACTIONS

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

BASIS OF PRESENTATION

The Company's condensed interim 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 condensed interim 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 condensed interim 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
2013 – Q3	1,426	1,226	1,336	25	19	22
2013 – Q4	1,351	1,193	1,202	23	19	20
2014 – Q1	1,379	1,220	1,294	22	19	20
2014 – Q2	1,325	1,244	1,313	21	19	21

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 Exploitation Business Risks

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

Mining Properties

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

Currency Risk

The Company's primary operations are located in Argentina. The Company raises funds in Canadian dollars and pays most of its Argentinean costs in United States Dollars or Argentinean Pesos, and is therefore subject to foreign exchange risk on this payment stream. As the proceeds from financings are often immediately converted to Argentinean Pesos, these cash reserves are subject to foreign exchange risk. The Company's ability to find new investors and raise funds in the future may be impacted by the recent "selective default" on Argentina's external debt. See "Recent Argentine Regulations" for further details.

Liquidity Risk

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

Credit Risk Management

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

Capital Risk Management

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

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

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

Additional risk factors relevant to the Company are included in the Filing Statement 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 adopted by the Company during the fiscal year ended December 31, 2013, as described in Note 3 of the Financial Statements. The adoption of the newly issued standards and the amendments to existing standards did not have a material impact on the Financial Statements. 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. IAS 32 "Financial Instruments: Presentation" has been amended to provide application guidance on the offsetting of financial assets and financial liabilities and will be effective for annual periods on or after January 1, 2014. Management has not yet completed its evaluations of the effect of adopting these standards and the impact it may have on its condensed interim consolidated financial statements.

RECENT ARGENTINE REGULATIONS AND IMPORTANT DEVELOPMENTS

i) Argentina entered into a selective default on external debt:

During 2005 and 2010 Argentina restructured 93% of its external debt. Since then the country has been servicing both interest and capital on maturity without new access to the financial markets. Several of the remaining 7% of creditors filed suit under the U.S. District Court for the Southern District of New York which issued a sentence against the country for the payment of outstanding amounts. Recently a US District judge stopped certain payments made by the Argentine government to pay restructured government bonds impeding the country's ability to fulfill its payment obligtions. According to some credit rating agencies the country is now in a "Selective default".

ii) 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.

iii) 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 has not 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 confident 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 on the law 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 near 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 properties discussed above do not represent a material part of the Company's operations.

(iv) 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 indicated his opposition to any mining activity on his ranch. MSA intends to initiate negotiation to rectify this situation to further file and request permits for Environmental Report approval and return to work on the property.

The Calqui project is located in the mining district called "Calcatreu" where Pan American Silver controls the Calcatreu gold and silver advanced exploration.

The property discussed above does not represent a material part of the Company's operations.

iv) Santa Cruz Province:

During July, 2013 the Government of Santa Cruz Province enacted a new tax law termed "Impuesto al Derecho de Propiedad Inmobiliaria Minera" that consists 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 an 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