Management's Discussion and Analysis of the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Month Periods Ended September 30, 2012

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Three and Nine Month Periods Ended September 30, 2012

INTRODUCTION

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Minsud Resources Corp. (the "Company") to enable a reader to assess the financial condition and results of operations of the Company for the three and nine month periods ended September 30, 2012.

This MD&A has been prepared as at November 29, 2012 unless otherwise indicated.

This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2012 (the "Financial Statements"), including the related note disclosure. The Financial Statements are presented on a consolidated basis and include the accounts of its wholly-owned subsidiary Minsud Argentina Inc. ("MAI"), and MAI's subsidiary Minera Sud Argentina S.A. ("MSA"), an Argentinean company in which MAI has a 98.30% ownership interest. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included therein and in the following MD&A are expressed in Canadian dollars unless otherwise indicated.

The Company's head office and principal business address is 56 Temperance Street, Suite 200, Toronto, Ontario M5H 3V5. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and trades its common shares on the TSX Venture Exchange (the "Exchange"), under the symbol MSR. Additional information relevant to the Company's activities, including press releases, can be found on SEDAR at www.sedar.com or www.minsud.com.

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING

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

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

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

CAUTIONARY NOTE

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

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

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

CORPORATE OVERVIEW

Principal Business and Corporate History

Minsud Resources Corp. (TSX.V MSR)

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

Minsud Resources Inc.

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

Minsud Argentina Inc.

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

Minera Sud Argentina S.A.

MSA is a private Argentinean company focused on the business of mineral and resource exploration and development in Argentina. MSA has a 100% interest in the Chita property, the 50% beneficial interest in the Brechas Vacas Trust which holds title to the Brechas Vacas properties, holds a claim on the Chita II properties, and is a party to Exploration and Purchase Option Agreements for the Minas de Pinto properties, as well as the remaining 50% beneficial interest in the Brechas Vacas Trust. These properties are located in the San Juan Province of Argentina and are described in the independent technical report dated October 27, 2010 and amended on February 15, 2011, entitled "Technical Review on the Chita Valley Project" by Velasquez Spring, P. Eng., of Watts, Griffis and McOuat (The "NI 43-101 Report"). This document was prepared for the Company and can be found on SEDAR at www.sedar.com.

Completed Qualifying Transaction and Brokered Offering

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

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

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

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

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

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

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

Transaction Costs

The Company incurred total transaction costs of $1,395,797 in connection with the Minsud Transaction. Included in this amount is $550,042 of non-cash costs related to the effect of accounting for the Minsud Transaction and the fair value of common shares issued for services rendered in connection with the Minsud Transaction. The remainder of the transaction costs have been paid in cash.

Additional MSA Share Subscriptions

As at December 31, 2011 MAI held 27,197,400 of the 27,740,000 issued and outstanding shares of MSA. On June 18, 2012, MAI subscribed for an additional 4,254,785 common shares of MSA for consideration of $970,001. This increased MAI’s holdings to 31,452,185 of the 31,994,785 outstanding common shares of MSA, representing an ownership interest of 98.30% as at September 30, 2012.

Current Board Members

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

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

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

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

DEVELOPMENTS DURING THE NINE MONTHS ENDED SEPTEMBER 30, 2012

I. CHITA VALLEY PROJECT

A) Mining rights

The Chita Valley Project consists of four contiguous properties including the Brechas Vacas, Chita and Minas de Pinto mineral concessions (8,350 ha), as well as Chita II (4,500 ha) which is subject to a claim application that is still pending. However, 30 ha within the boundaries of the Chita Valley Project are owned by third parties. In addition, a gap of 6.6 ha between the Chita and Brechas Vacas properties has been claimed by third parties and is currently under dispute with the local mining authority. The Company does not consider such properties held or claimed by third parties as material to its current exploration activities.

On August 3, 2012, the Company exercised its Purchase Option to acquire a 100% interest in the Chita Property in exchange for a series of cash payments totalling US$420,000. The Chita Property is the core property in the Company's flagship Chita Valley Project. The exercise of the Purchase Option, and the conditions under which the Purchase Option was exercised, were accepted by the owners of the Chita property.

In consideration for the transfer of ownership of the Chita Property, the Company has agreed to pay a total of US$420,000, payable as follows: US$30,000 payable in cash within ten days from the date on which the property owners accepted the Company's offer to exercise the purchase option; US$40,000 payable in cash simultaneously with the execution of the public deed evidencing the transfer of the Chita Property to the Company; and US$350,000 payable in ten semi-annual cash payments of US$35,000 each, the first of which shall be payable six months after the date of execution of the above mentioned public deed. As of the date of this MD&A, the Company has made the first two payments totalling US$70,000 ($68,768).

Sumarizing, Minsud through its affiliate MSA owns 100% of Chita mining rights. MSA is also beneficial owner of 50% of the Brechas Vacas mining rights through the Brechas Vacas Trust, and the remaining 50% beneficial interest in the Trust held by the Brechas Vacas Owners is subject to an exclusive and irrevocable purchase option agreement granted in favor of MSA. On Minas de Pinto property, MSA has an Exploration Agreement including a Purchase Option with the owners. Further information is disclosed in note 6 of the condensed interim financial statements.

B) Geological features

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

The **Andean Frontal Cordillera** is composed mainly of Upper-Paleozoic deposits deposited unconformably on a middle Paleozoic basement or Lower Paleozoic sediments, dependent upon its location. These Upper-Paleozoic sediments of Upper Carboniferous-Lower Permian age corresponds to the Agua Negra Formation, a marine transitional sedimentary unit about 2,000 m thick that is widely distributed throughout the region. This formation was, during the Gondwana orogenic cycle, folded and then intruded by Lower Permian granitoids, mostly granodiorites, granites and tonalites named the Tocota Pluton and the Chita Pluton, parts of the Colanguil Batholith. A series of porphyries and subvolcanic andesitic bodies of middle to upper Tertiary age, belonging to the Olivares Group, are seen cutting all the previous rock sequences, or occurring locally as volcanic flows.

The oldest exposed basement rocks in the Chita Valley region belong to the Upper Carboniferous-Permian age **Agua Negra Formation**. Regionally the formation is a made up of alternating sandstones, quartzites, lutites and conglomerates, with limestones in the upper part. On the Chita Valley Properties the Agua Negra units are primarily quartzites, lutites and interbedded sandstones and lutites. The Agua Negra Formation was deposited during the Gondwanic Orogenic cycle.

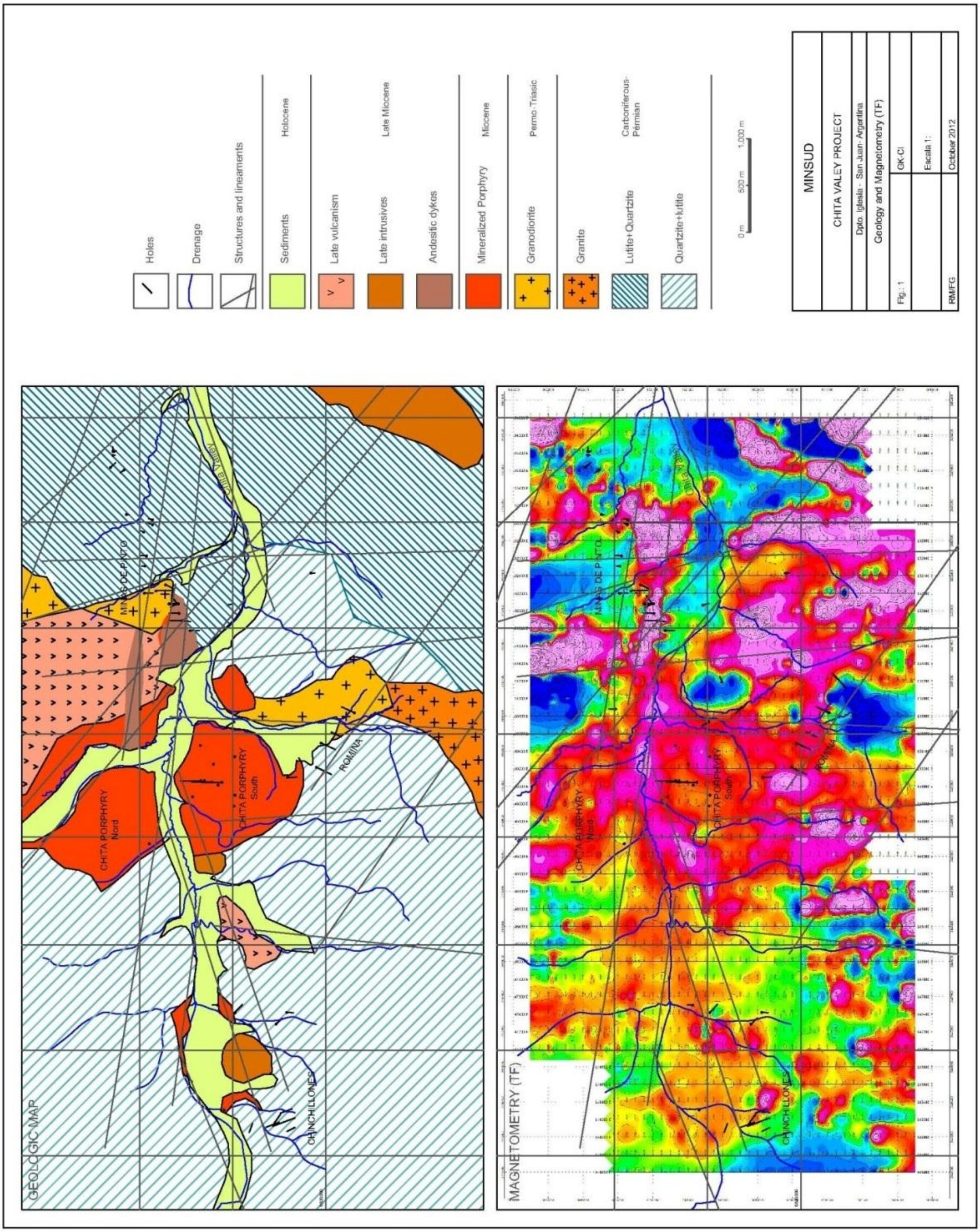
The Devonian and Permo-Carboniferous marine sedimentary rocks, are intruded by Permo-Triassic granitoids, and an Andean Mesozoic–Tertiary cover sequence intruded by Mesozoic and Tertiary granitoids.

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

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

All of the above lithologies have been intruded by sub-volcanic andesitic-dacitic porphyry bodies and felsic dykes of Mid- to Upper-Tertiary Age corresponding to the **Olivares Group** and probably to the Pircas Unit. One of these bodies, the Chita South Porphyry (not to be confused with the Chita Granite) has been dated as Miocene age (11.7 ma.). Structurally the Chita Valley Project is located along a NW striking valley associated with a regional transfer fault. A complex of sub-volcanic mineralized intrusives are located at the intersection of the NW transfer faults with the N-S faults of the Andean structural system, as is the Chita copper-molybdenum mineralized porphyry complex. Recent detailed lithological mapping, mineralization and alteration studies by Minsud have encountered enigmatic features that are indicative of a variety of classical mineralization environments.

Central portion Chita Valley Project Area, Geology and Magnetics



Deposit Models

The El Indio - Veladero – Pascua-Lama belt, of Argentina and Chile is home to a world class collection precious and/or base metal deposits mostly within a broad classification of hydrothermal deposits related to 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.

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

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

C) Current Exploration Work 2012

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

- a ground magnetometer survey covering some 40 km^2 (200 line km),
- property wide surface geological mapping and general compilation of existing data at 1:10,000 scale,
- detailed surface geological and alteration mapping at 1:1,000 scale over the Chita South Porphyry and Chinchillones Prospects,
- Channel sampling of outcrops and hand dug trenches utilizing a portable diamond-blade saw to define geological units, alteration features and as an initial test of potentially mineralized structures.

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).

<u>(i) Chita South Porphyry Area</u>

The 2012 exploration campaign included detailed geological mapping and systematic alteration studies accompanied by a ground magnetic survey as an aid to the investigations. The following is a summary of 2012 surface hand trenching/sawn channel sampling program results and a revised geological/mineralization model to guide future exploration activities.

The channel sampling results are primarily from a north-south oriented approximately 550 metre semi-continuous set of samples called the Chita South Channel. The analytical results define the association of Cu and Mo content with areas of higher density of stockwork. The average content of Mo is 0.011%.

Due to surface leaching the typical Cu content is likely significantly understated. The sample results are summarized in the table below.

The most important result of the 2012 field work is the formulation of a coherent conceptual geological/mineralization model that will allow coordination of future exploration in the general Chinchillones sector and throughout the Chita Valley Project.

Chita South Porphyry, 2012 Channel Sample Summary

Trench		from (m)	to (m)	total (m)	Cu %	Mo %	Au g/t	Ag g/t
Chita South Porphyry		**0.0**	**549.0**	**549.0**	0.014	0.011		
incl.		13.0	203.0	190.0	0.015	0.020		
	and	78.0	80.0	2.0			0.17	18.60
incl.		203.0	475.0	272.0	0.012	0.002		
	and	269.0	270.0	1.0			0.35	49.60
	and	280.0	281.0	1.0			0.62	40.10
	and	461.0	463.0	2.0			0.60	35.70
incl.		475.0	549.0	74.0	0.027	0.026		

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

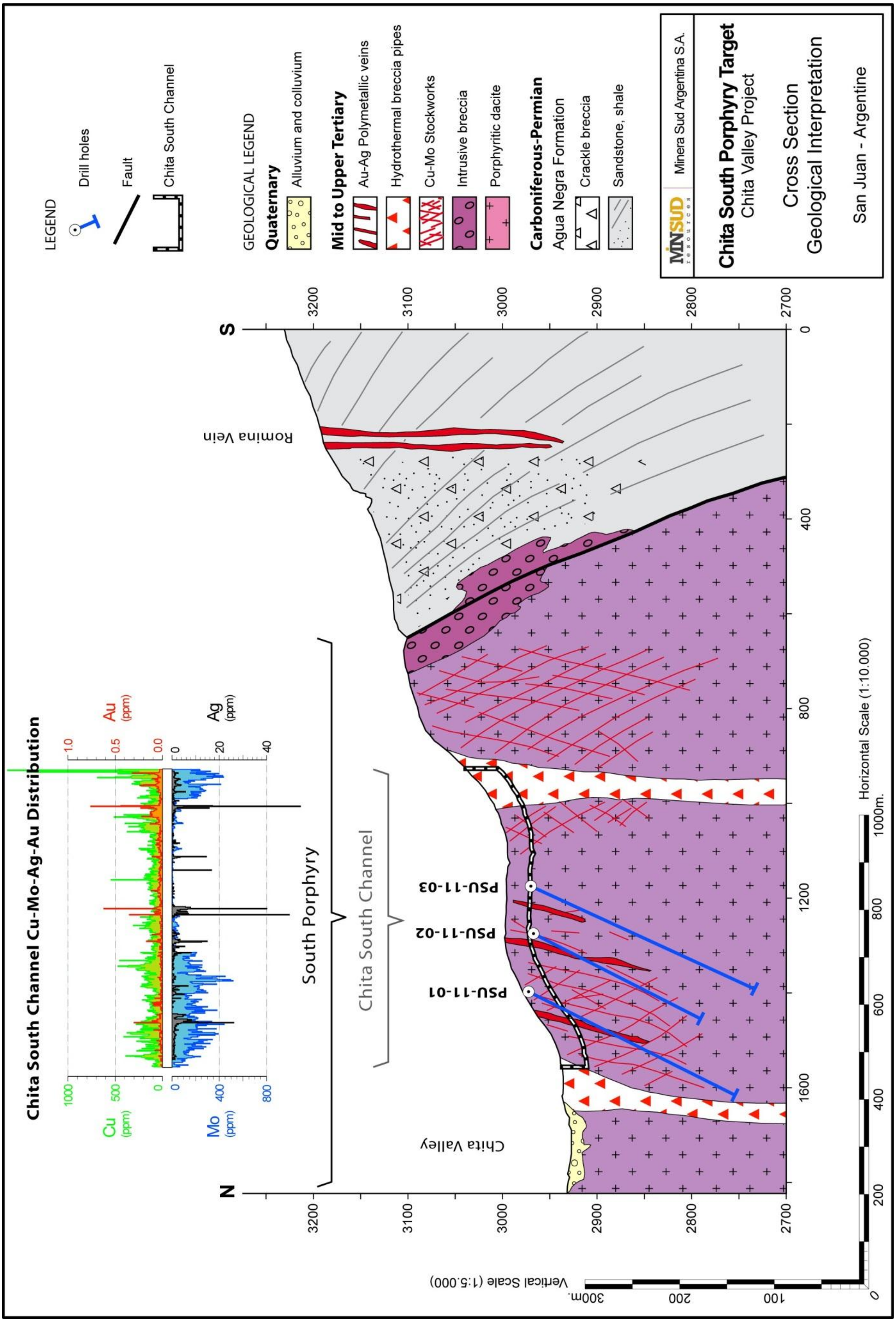
The Chita Porphyry Sector contains mineralized features that are indicative of a progression from early porphyry-type mineralization, through diatreme volcanic vent type hydrothermal breccias in porphyry and sediments and finally epithermal veins. The geological/mineralization model is shown in the attached diagram.

Chita South Porphyry Ongoing Work Recommendations

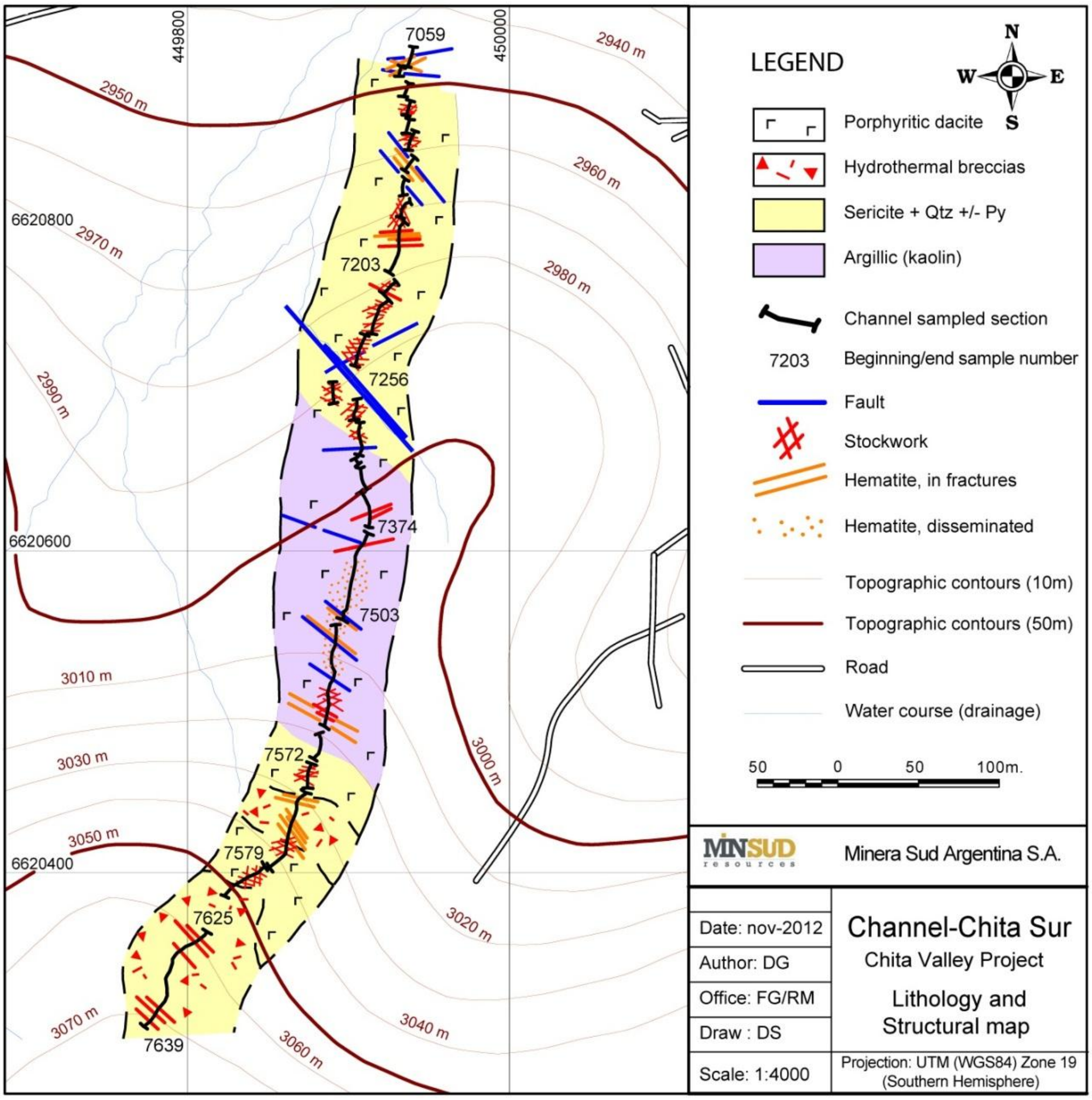
The combination of mapping, geophysics, surface sampling and previous drilling has clearly defined diatreme volcanic vent/porphyry and epithermal vein target areas. The next proposed steps are:

1. Continue the detailed geological mapping, alteration study and rock and/or soil geochemistry to the Chita North Porphyry area on the north side of the valley.
2. Infill magnetometer survey lines in selected key areas to fine tune the details of the geological/mineralization model.
3. Evaluate the potential of advanced geophysical methods such as ‘state of the art’ IP/resistivity and/or CSAMT test surveys.
4. Design drilling program to test high quality exploration targets.

Chita South Porphyry Conceptual Deposit Model



Chita South Channel Sample



(ii) Chinchillones Prospects

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

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

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

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

- Porphyry A Target: first detected by drilling by Minera Sud Argentina (2011/04/28 Chita Valley Technical Review) is, except for a small exposure, located beneath Recent alluvial deposits of the Chita Valley. The mineralization comprises low to moderate grade disseminations, stockwork and veinlets with widespread Mo + Cu mineralization along with localized Au + Ag values.
- Chinchillones Breccias Target: is a complex breccia hosted in diatreme system, with a superimposed epithermal system.
- Breccias Ridge Target: located in the northern segment of the Chita Valley, and like Chinchillones Breccias, is a diatreme breccia complex.
- South Chinchillones Targets: are NE trending structurally controlled Au+Ag bearing polymetallic veins hosted by Agua Negra Formation quartzite. Vein systems develop in at least three corridors which have been preliminarily tested with drilling by Minsud Resources. (news 2011/09/14).

The 2012 exploration campaign included detailed geological mapping and systematic alteration studies accompanied by routine ground magnetic survey as an aid to the investigations. The following is a summary of 2012 surface hand trenching/sawn channel sampling program results and a revised geological/mineralization model to guide future exploration activities.

The channel sampling results are primarily from the South Chinchillones polymetallic vein corridors and the upper stratigraphic and marginal areas of the Chinchillones breccias areas. The sampling results are summarized in the following table. The veins contain widespread concentrations of gold and silver including some that may be economically significant either alone or probably more importantly when superimposed upon earlier porphyry/diatreme breccia complex mineralization. The exposed marginal parts of the diatreme breccia complex also contain localized Au and Ag. A summary of Chinchillones area analytical results is tabulated below.

The most important result of the 2012 field work is the formulation of a coherent conceptual geological/mineralization model that will allow coordination of future exploration in the general Chinchillones sector and throughout the Chita Valley Project.

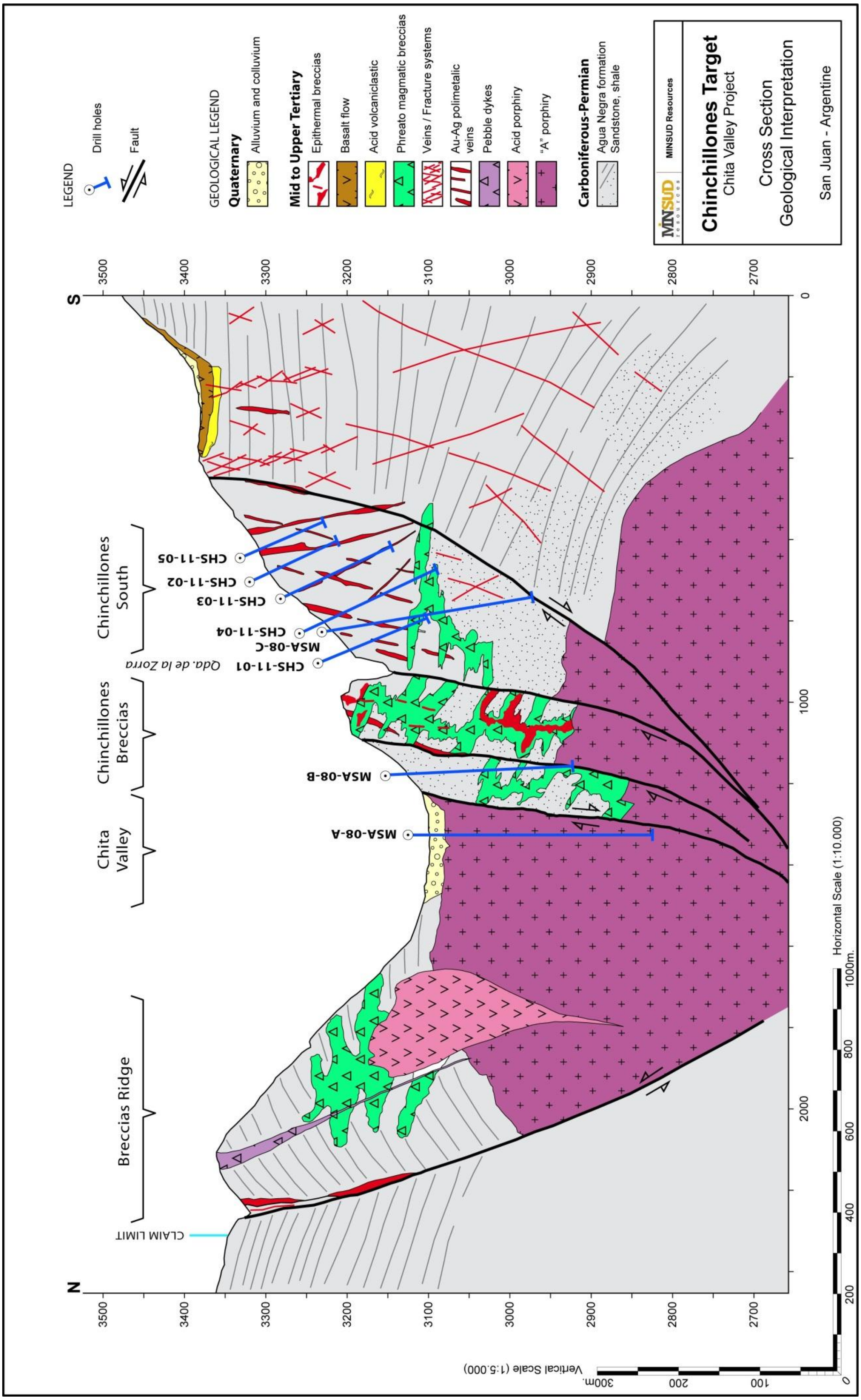
Minsud’s recent work for the first time has systematically evaluated the Chinchillones/Porphyry A prospects to map the lithology, structure and alteration patterns within the enigmatic deposits context and supported by magnetic data to extend and trace features beneath surface cover.

The Chinchillones Sector contains mineralized features that are indicative of a progression from early porphyry-type mineralization, through diatreme volcanic vent type hydrothermal breccias in porphyry and sediments and finally epithermal veins. The geological/mineralization model is shown in the attached diagram.

Summary of 2012 Chincillones Trenching Results

Trench		from	to	Width	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
TCHS-2012-01		0.00	59.00	59.00	0.09	12.1	44	270	20
	incl.	8.00	11.00	3.00	0.33	**114.6**	65	210	16
	and	53.00	54.00	1.00	**0.82**	**95.1**	301	3214	79
TCHS-2012-02		0.00	31.00	31.00	0.11	18.2	63	461	32
	incl.	7.00	9.00	2.00	0.16	**47.2**	50	643	15
	and	11.00	13.00	2.00	0.32	**61.3**	74	1433	25
	and	28.00	29.00	1.00	0.42	**66.2**	94	1197	16
TCHS-2012-03		0.00	13.00	13.00	0.20	**57.1**	65	1784	18
	incl.	1.00	4.00	3.00	**0.54**	**204.0**	170	5753	35
	and	8.00	9.00	1.00	0.25	**47.7**	25	695	9
TCHS-2012-04		0.00	12.00	12.00	0.12	9.2	25	627	22
	incl.	1.00	2.00	1.00	0.32	**30.4**	50	1227	32
TCHS-2012-05		0.00	11.00	11.00	0.12	12.8	32	430	20
	incl.	0.00	1.00	1.00	0.23	**49.7**	45	279	37
	and	7.00	8.00	1.00	0.41	**40.1**	78	3256	92
TCHS-2012-06		0.00	10.00	10.00	0.17	22.8	40	543	17
	incl.	0.00	1.00	1.00	**0.99**	**117.8**	69	3087	61
	and	5.00	6.00	1.00	0.31	**67.0**	45	932	27
TCHS-2012-07		0.00	4.00	4.00	0.07	13.3	40	264	6
TCHS-2012-08		0.00	7.00	7.00	0.18	**34.5**	96	1442	16
	incl.	0.00	1.00	1.00	**0.85**	**189.4**	291	5955	58
TCHS-2012-09		0.00	3.00	3.00	0.12	27.9	87	615	19
TCHS-2012-10		0.00	5.00	5.00	0.11	**115.7**	139	3646	30
	incl.	1.00	3.00	2.00	0.11	**102.6**	225	7173	38
	and	4.00	5.00	1.00	0.27	**347.8**	147	2418	56
TCHS-2012-11		0.00	24.00	24.00	0.48	6.8	63	210	23
	incl.	17.00	19.00	2.00	**3.71**	5.0	87	102	17
	and	20.00	22.00	2.00	**0.57**	13.1	87	245	24
TCHS-2012-12		0.00	2.00	2.00	0.17	11.1	64	901	25
TCHS-2012-13		0.00	4.00	4.00	0.06	11.9	106	1090	21
TCHS-2012-14		0.00	7.00	7.00	0.12	**36.9**	110	1696	56
	incl.	2.00	4.00	2.00	0.12	**90.1**	185	1430	63
TCHS-2012-15		0.00	1.00	1.00	**3.54**	**684.9**	870	10000	48
TCHS-2012-15b		0.00	15.00	15.00	**0.61**	**39.5**	256	558	50
	incl.	10.00	13.00	3.00	**2.88**	**167.7**	1005	1778	179
TCHS-2012-16		0.00	8.00	8.00	**0.67**	**108.9**	160	1341	19
	incl.	4.00	5.00	1.00	0.13	**30.7**	88	46	4
	and	6.00	8.00	2.00	**2.51**	**400.5**	483	5071	57
TCHS-2012-17		0.00	1.00	1.00	0.43	**167.7**	605	9249	59
TCHS-2012-18		0.00	0.30	0.30	**8.76**	**1032.8**	481	10000	107
TCHS-2012-19		0.00	1.00	1.00	**1.58**	**347.9**	226	8094	53
TCHN-2012-01		0.00	13.00	13.00	0.04	1.2	793	435	86
TCHN-2012-02		0.00	8.00	8.00	0.05	0.8	113	408	23
TCHN-2012-03		0.00	3.00	3.00	0.34	**60.9**	79	667	16
	incl.	1.00	3.00	2.00	0.49	**87.8**	89	974	19
TCHN-2012-04		0.00	139.00	139.00	0.07	5.4	889	312	156
	incl.	0.00	1.00	1.00	0.16	**40.1**	210	1915	73
	and	5.00	6.00	1.00	0.25	**35.6**	68	225	94
	and	19.00	20.00	1.00	**0.51**	**45.0**	1232	247	110
	and	24.00	25.00	1.00	0.24	**31.2**	483	164	136
	and	36.00	37.00	1.00	0.10	**31.9**	2679	168	916
TCHN-2012-05		0.00	8.00	8.00	0.24	3.2	50	218	6
	incl.	3.00	5.00	2.00	**0.69**	3.0	41	61	4
TCHN-2012-06		0.00	15.00	15.00	0.10	6.5	67	228	16
TCHN-2012-07		0.00	12.00	12.00	0.14	18.7	109	876	17
	incl.	10.00	12.00	2.00	0.35	**54.5**	148	1896	17

Chinchillones Conceptual Deposit Model



Chinchillones Ongoing Work Recommendations

The combination of mapping, geophysics, surface sampling and previous drilling has clearly defined diatreme volcanic vent/porphyry and epithermal vein target areas. The next proposed steps are:

1. Continue the detailed geological mapping, alteration study and rock and/or soil geochemistry to the Brechas Ridge area on the north side of the valley.
2. Infill magnetometer survey lines in selected key areas to fine tune the details of the geological/mineralization model.
3. Evaluate the potential of advanced geophysical methods such as ‘state of the art’ IP/resistivity and/or CSAMT test surveys.
4. Design drilling program to test high quality exploration targets.

(iii) Other Chita Valley Prospects

There are other sectors of the Chita Valley Project such as Minas de Pinto and the Placetas Porphyry areas that have not been mapped in detail or fully covered by ground magnetometer surveying. It is believed that this basic exploration work might lead to further high quality target development.

II. LA ROSITA PROJECT

A) Mining rights

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

On February 1, 2011 the Environmental Impact Report (“EIR”) (Informe de Impacto Ambiental de Exploración) was filed on 426.125/MSA/11 and approved through resolution # 077 dated May 2, 2011. An extended EIR for trenching and drilling was requested on November 3, 2011 and approved through Resolution 282 of Secretary of Mines – Santa Cruz Province.

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

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

B) Geological features

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

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

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

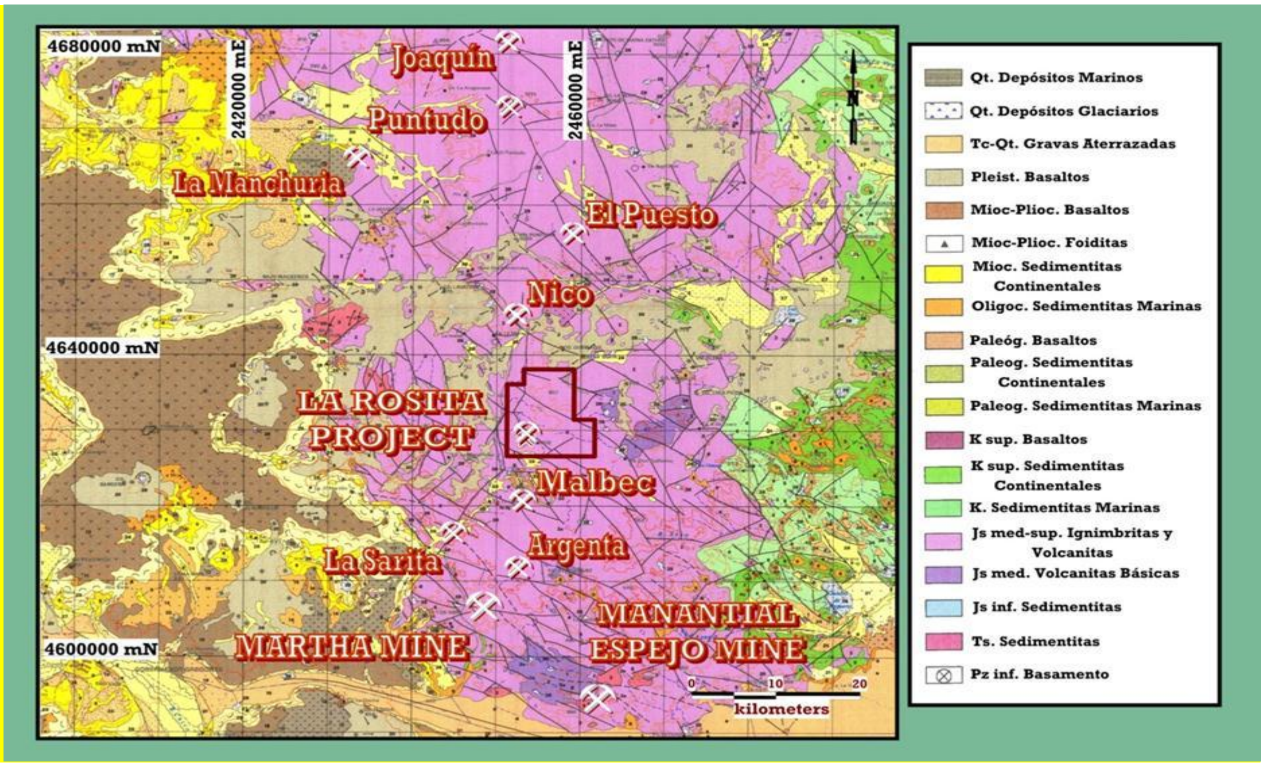
Rhyolitic dykes up to 20 m wide cross-cut the pyroclastic and epiclastic sequences. The dykes are sometimes zoned, being more feldspar-phyric in the core than at the margin, and are considered as feeders to the rest of the sequence. Rhyolite domes stand out above the local volcaniclastic plateau. They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

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

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

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

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



C) Exploration Program:

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 Mogotoes Hill, all lithologic units are typical of the Chon Aike Formation.

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

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

The 2012 trenches did not encounter any mineralization sections that might be considered commercially significant in grade or thickness. However, the trench analytical data has confirmed the existence of widespread areas of geochemically anomalous silver and gold as well as much larger zones of anomalous base metals (Cu, Pb, Zn) as well as the pathfinders mercury and arsenic. Additionally anomalous values of tungsten and antimony were encountered in the system. It is believed that the currently outlined 4,000 m of combined veins still have potential for the discovery of high grade Ag-Au deposits similar to those being mined in the region (Targets: Mogotes Hill, Maria Sol Veins and Breccia Hormiga).

Additionally acid domes related to hydrothermal alteration and disseminated sulphides are believed to have potential for discovery of Ag-Au low grade/ bulk tonnage mineralization (magnetic anomalies in the Mogotes Hill Target and acid domes related to the sub outcropping Maria Sol Target). Breccia complex systems that contain promising mineralization/alteration features have also been identified (Felices Pascuas Breccia and Eastern Red Breccias Targets).

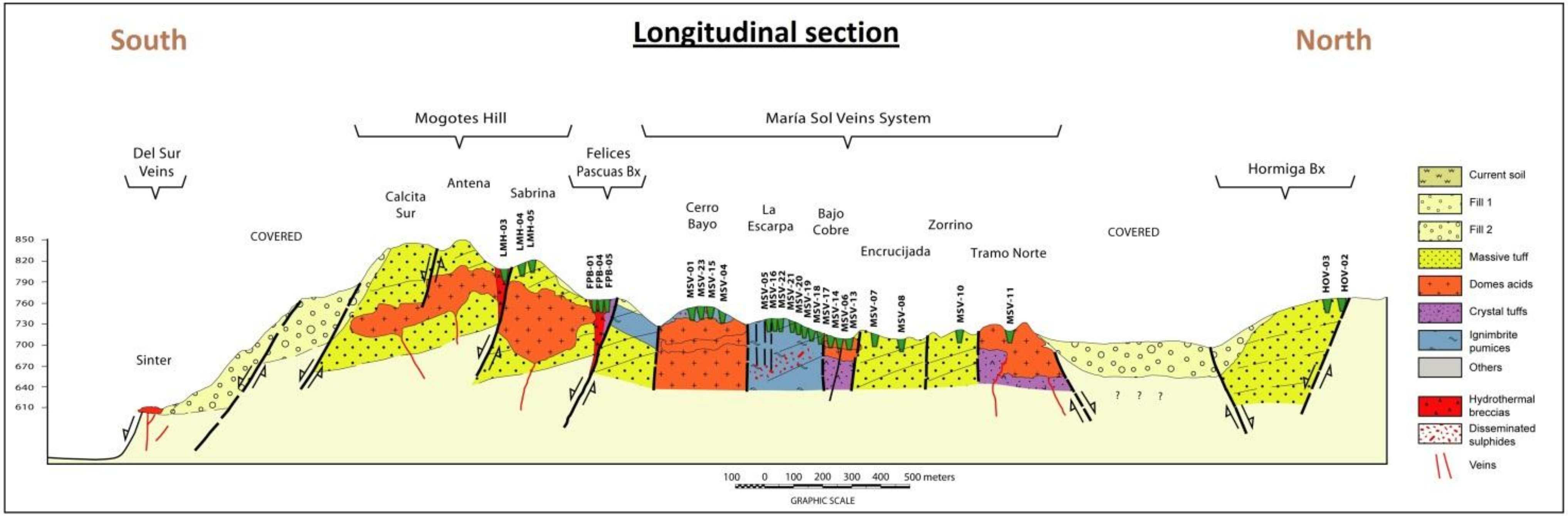
Tabulation of Trenching Highlights

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

The following maps can be found in our press release dated August 15, 2012 or at www.minsud.com: *Trenching Location, Stratigraphic, Total Magnetic Intensity, Typical Detailed Trench and Detailed Trench Geochemical Results.*

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

Conceptual Target Model Cross Section



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

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

La Rosita Ongoing Work Recommendations

Exploration work carried out so far indicates the possible presence, at shallow depth, of an extensive low sulfidation epithermal system, similar to most deposits of the Deseado Massif. Minsud plans to continue with the systematic multidisciplinary approach to target definition.

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

SELECTED ANNUAL INFORMATION

The following selected financial data for the Company's most recently completed financial periods are derived from the audited financial statements of the Company. The following selected financial data presented for the comparative years ended December 31, 2010 and 2009 are derived from the audited financial statements of MSA.

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

PROJECT EXPENDITURES

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

Three months ended September 30, 2012	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs **(a)**	49,040	435,029	52,087	NIL	NIL	NIL	536,156
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	1,394	11,172	NIL	NIL	2,332	NIL	14,898
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL	
Labour and Technical Fees	2,925	117,398	1,818	114	4,791	NIL	127,046
Vehicles and Equipment	NIL	11,704	NIL	303	8,406	NIL	20,413
Travel and Lodging	75	22,731	NIL	1	5	NIL	22,812
Project Management	7,709	63,337	7,808	3,300	6,310	1,429	89,893
VAT Paid	586	6,914	1	159	2,472	NIL	10,132
Current Expenditures	**61,729**	**668,285**	**61,714**	**3,877**	**24,316**	**1,429**	**821,350**
Currency Translation Adjustment	(123,018)	(117,847)	(35,618)	(14,052)	(47,572)	(1,512)	(339,619)
Balance – beginning of period	**1,760,284**	**1,436,026**	**505,806**	**202,161**	**697,115**	**21,095**	**4,622,487**
Balance – end of period	**1,698,995**	**1,986,464**	**531,902**	**191,986**	**673,859**	**21,012**	**5,104,218**

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

Project expenditures for the nine months ended September 30, 2012 are as follows (the Company has reallocated expenditures between categories to conform to the current period's presentation):

Nine months ended September 30, 2012	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs **(a)**	49,040	435,029	52,087	NIL	NIL	NIL	536,156
Road Construction	NIL	NIL	NIL	NIL	44,224	NIL	44,224
Assays	12,945	23,732	10,381	750	38,813	NIL	86,621
Geophysics	4,986	19,979	11,965	NIL	NIL	NIL	36,930
Labour and Technical Fees	85,826	195,037	49,009	1,525	135,667	NIL	467,064
Vehicles and Equipment	10,206	19,229	4,075	687	35,204	NIL	69,401
Travel and Lodging	7,713	36,905	3,842	540	35,695	NIL	84,695
Project Management	65,311	114,708	40,619	9,360	120,599	8,532	359,129
VAT Paid	8,497	16,590	6,148	776	26,748	NIL	58,759
Current Expenditures	**244,524**	**861,209**	**178,126**	**13,638**	**436,950**	**8,532**	**1,742,979**
Currency Translation Adjustment	(205,417)	(181,986)	(56,080)	(23,849)	(69,402)	(2,309)	(539,043)
Balance – beginning of period	**1,659,888**	**1,307,241**	**409,856**	**202,197**	**306,311**	**14,789**	**3,900,282**
Balance – end of period	**1,698,995**	**1,986,464**	**531,902**	**191,986**	**673,859**	**21,012**	**5,104,218**

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

Project expenditures for the three month period ended September 30, 2011 are as follows (the Company has reallocated expenditures between categories to conform to the current period's presentation):

Three months ended September 30, 2011	**Brechas Vacas ($)**	**Chita ($)**	**Minas De Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs	207,748	29,695	NIL	NIL	NIL	1,058	238,501
Drilling	(1,284)	(2,008)	NIL	NIL	NIL	NIL	(3,292)
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	23,701	37,028	NIL	NIL	2,622	NIL	63,351
Geophysics	NIL	NIL	NIL	NIL	28,396	NIL	28,396
Labour and Technical Fees	30,315	38,527	500	73	31,143	NIL	100,558
Vehicles and Equipment	2,963	4,634	NIL	109	6,242	NIL	13,948
Travel and Lodging	2,160	5,350	NIL	NIL	8,696	NIL	16,206
Project Management	64,212	35,866	4,230	1,980	36,359	NIL	142,647
VAT Paid	5,682	9,130	133	148	7,747	NIL	22,840
Current Expenditures	**335,497**	**158,222**	**4,863**	**2,310**	**121,205**	**1,058**	**623,155**
Currency Translation Adjustment	86,745	53,942	3,857	8,950	12,191	793	166,478
Balance – beginning of period	**1,290,435**	**851,140**	**66,741**	**163,223**	**111,929**	**13,635**	**2,497,103**
Balance – end of period	**1,712,677**	**1,063,304**	**75,461**	**174,483**	**245,325**	**15,486**	**3,286,736**

Project expenditures for the nine month period ended September 30, 2011 are as follows (the Company has reallocated expenditures between categories to conform to the current period's presentation):

Nine months ended September 30, 2011	**Brechas Vacas ($)**	**Chita ($)**	**Minas De Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs	207,748	44,664	NIL	194	NIL	8,172	260,778
Drilling	198,717	280,716	NIL	NIL	NIL	NIL	479,433
Road Construction	45,923	39,340	NIL	NIL	NIL	NIL	85,263
Assays	25,960	45,145	34	NIL	10,429	NIL	81,568
Geophysics	NIL	NIL	NIL	NIL	28,396	NIL	28,396
Labour and Technical Fees	91,378	90,112	4,310	20,401	34,402	NIL	240,603
Vehicles and Equipment	24,292	27,304	367	1,845	7,425	NIL	61,233
Travel and Lodging	2,888	20,709	(367)	183	8,674	NIL	32,087
Project Management	97,529	85,601	7,517	6,443	42,665	10	239,765
VAT Paid	64,382	72,153	133	693	9,469	NIL	146,830
Current Expenditures	**758,817**	**705,744**	**11,994**	**29,759**	**141,460**	**8,182**	**1,655,956**
Currency Translation Adjustment	23,780	27,002	(230)	(1,149)	5,369	285	55,057
Balance – beginning of period	**930,080**	**330,558**	**63,697**	**145,873**	**98,496**	**7,019**	**1,575,723**
Balance – end of period	**1,712,677**	**1,063,304**	**75,461**	**174,483**	**245,325**	**15,486**	**3,286,736**

Brechas Vacas Property

During the nine months ended September 30, 2012, the Company spent $244,524 on the exploration of the Brechas Vacas Property, a decrease of $514,293 from expenditures of $758,817 during the nine months ended September 30, 2011. The Company's expenditures of $61,729 during the three months ended September 30, 2012 represent a decrease of $273,768 from expenditures of $335,497 incurred during the three months ended September 30, 2011. Both decreases are a result of extensive drilling activities carried out on the Brechas Vacas property during the three and nine months ended September 30, 2011 that did not occur during the same periods ended September 30, 2012.

The Company advanced the target by trenching and sampling, acquiring new Geoeye imagery for mapping in detail and contracting a ground magnetometer survey. A more detailed description of the work performed can be found in section “Developments during the nine months ended September 30, 2012” in this MD&A.

Chita Property

During the three and nine months ended September 30, 2012, the Company spent $668,285and $861,209 on the acquisition and exploration of the Chita Property. Expenditures during the three months ended September 30, 2012, increased by $510,063 compared to expenditures of $158,222 incurred during the three months ended September 30, 2011. Expenditures during the nine months ended September 30, 2012, increased by $155,465 compared to expenditures of $705,744 incurred during the nine months ended September 30, 2011. During the three and nine month periods ended September 30, 2012, the Company exercised its purchase option to acquire a 100% ownership interest in the Chita Property in exchange for a series of cash payments totalling US $420,000. The Company had significant drilling activity during the nine months ended September 30, 2011 that did not occur during the same period ended September 30, 2012.

The Company acquired a new Geoeye imagery and contracted a ground magnetometer survey. It is also doing significant progress by trenching the Chita porphyry using mechanical saw and sampling. A more detailed description of the work performed can be found in section “Developments during the nine months ended September 30, 2012” in this MD&A.

Minas de Pinto Property

During the three and nine months ended September 30, 2012, the Company spent $61,714 and $178,126 on the exploration of the Minas De Pinto Property, increases of $56,851 and $166,132 over the expenditures incurred during the three and nine months ended September 30, 2011 respectively. The increases in spending were related to increased activity on the Minas de Pinto properties and the performance of geophysical and sampling work during the nine month periods ended September 30, 2012, as well as the payment of an installment pursuant to the Minas de Pinto Agreement during the three and nine month periods ended September 30, 2012.

The Company acquired a new Geoeye imagery and contracted a ground magnetometer survey as more extensively described in section “Developments during the nine months ended September 30, 2012” in this MD&A. After completing the ongoing trenching at Chita porphyry, the Company expects to continue mapping and trenching on the Minas de Pinto Property.

San Antonio Property

The Company spent $3,877 and $13,638 on the exploration of the San Antonio Property during the three and nine month periods ended September 30, 2012. This represents an increase of $1,567 compared to expenditures of $2,310 incurred during the three month period ended September 30, 2011, and a decrease of $16,121 compared to expenditures of $29,759 incurred during the nine month period ended September 30, 2011.

La Rosita Property

During the three and nine months ended September 30, 2012, the Company spent $24,316 and $436,950, respectively, on the exploration of the La Rosita Property, a decrease of $96,889 and increase of $295,490 when compared to expenditures incurred during the three and nine months ended September 30, 2011. As the Company has recently increased the resources dedicated to the La Rosita property compared to 2011, expenditures related to mechanical trenching, sampling and road construction have increased, which represent the significant expenditures incurred by the Company during the three and nine month periods ended September 30, 2012.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three and nine month periods ended September 30, 2012, the Company incurred expenditures of $162,163 and $548,322 respectively. Expenditures decreased by $79,119 and $1,579,754 when compared to expenditures of $241,282 and $2,128,076 for the three and nine month periods ended September 30, 2011 respectively. The significant decreases in total expenses are primarily the result of the completion of the Minsud Transaction during the three and nine month periods ended September 30, 2011. The Company incurred significant transaction costs that were expensed during this period. The Company also had a reduced amount of stock-based compensation expense during the three and nine month periods ended September 30, 2012 when compared to similar periods ended September 30, 2011.

The Company incurred professional and regulatory fees of $90,963 and $257,525 during the three and nine month periods ended September 30, 2012. These amounts include management salaries and fees paid for the services of the CEO and CFO, as well as general accounting, audit and legal fees. Professional and regulatory fees decreased by $4,525 during the three months ended September 30, 2012 when compared to the same period ended September 30, 2011. Professional and regulatory fees increased by $29,581 during the nine months ended September 30, 2012 when compared to the same period ended September 30, 2011. The reason for the increase is that the expenditures for the nine months ended September 30, 2012 include a full period of remuneration for the Company's CEO, while the nine months ended September 30, 2011 did not, as the Minsud Transaction was completed during May 2011.

Expenses related to stock-based compensation for the three and nine month periods ended September 30, 2012 were $43,337 and $169,122, respectively, and relate to the continued vesting of options granted during the year ended December 31, 2011 as well as vesting related to the options granted during the quarter ended September 30, 2012. These amounts represent decreases of $87,986 and $136,404 when compared to stock-based compensation expense of $131,323 and $305,526 incurred during the three and nine month periods ended September 30, 2011. The decreases are related to the fact that the Company granted 3,360,000 stock options to directors, officers, employees and service providers during the three and nine month period ended September 30, 2011 resulting in stock-based compensation expense for options vesting in those periods. During the three and nine months ended September 30, 2012, the Company granted 510,000 stock options to directors, officers, employees and service providers.

Marketing and communications expenses of $9,208 and $42,259 were incurred by the Company during the three and nine month periods ended September 30, 2012. These amounts include costs related to marketing and increasing investor awareness of the Company. The Company did not incur any such expenses during the three and nine month periods ended September 30, 2011.

The Company incurred general and administrative expenses of $18,655 and $79,416 during the three and nine month periods ended September 30, 2012, representing an increase of $4,184 from similar expenses of $14,471 incurred during the three months ended September 30, 2011 and a decrease of $93,732 from similar expenses of $173,148 for the nine month period ended September 30, 2011.

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

SELECTED QUARTERLY INFORMATION

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

Fiscal Year	2012			2011				2010
For the quarters ended	Sep	Jun	Mar	Dec	Sep	Jun	Mar	Dec
	$							
Net Revenues	670	1,518	2,648	3,662	4,704	1,577	1,359	5,615
Net loss for the period	(161,493)	(192,197)	(189,796)	(222,774)	(236,578)	(1,794,210)	(89,648)	(68,552)
Comprehensive loss for the period	(555,940)	(262,693)	(335,416)	(389,340)	(53,131)	(1,849,349)	(173,653)	(65,157)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)	(0.01)	(0.007)

Factors affecting quarterly results

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

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $1,285,232 as at September 30, 2012, compared to working capital of $3,061,865 as at September 30, 2011. As at September 30, 2012, the Company held cash and cash equivalents of $1,403,468 versus $3,544,245 as at September 30, 2011.

The Company’s strong cash and cash equivalents position as at September 30, 2011 reflects the Company’s raise of gross proceeds of $5,509,000 through the Brokered Offering concurrently with closing the Qualifying Transaction (see *“Completed Qualifying Transaction and Brokered Offering”).*

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

The securities issued in connection with the closing of the NBPP will be subject to a four month hold period expiring on October 19, 2012. Upon completion of the NBPP, Minsud had 39,738,266 common shares issued and outstanding.

The proceeds of the NBPP were invested through the subscription for an additional 4,254,785 common shares of MSA. MSA intends to use the proceeds to support the ongoing business plan, primarily to continue developing exploration targets at the Chita Valley and La Rosita projects and for general working capital purposes.

The Company continues to execute its approved 2012 business plan and is currently working on its 2013 business plan.

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

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

The Company is dependent on obtaining future financing for the exploration and development of its properties and for any new projects. The Company's ability to obtain future financings may be affected by several factors including the sustainability of commodity prices and the economic recovery of worldwide capital markets.

Share Capital

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

(i)	Shares outstanding	39,738,266
(ii)	Options outstanding	3,795,000
(iii)	Warrants	16,325,133
(iv)	Broker warrants	919,900

Shares Outstanding

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

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

b) During the three and nine month periods ended September 30, 2012, the Company issued 5,105,266 units under the NBPP for proceeds of $970,001, of which $153,158 was allocated to the warrants issued. Each unit consists of one common share and one-half of one warrant.

In connection with the NBPP, the Company paid legal and filing fees of $28,067, of which $4,432 was allocated to warrants.

(i) 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	2,295,000	765,000	3.69	June 9, 2016
$0.40	168,750	56,250	4.07	October 26, 2016
$0.19	127,500	382,500	4.88	August 17, 2017
	2,591,250	1,203,750	3.80	

(ii) Warrants Outstanding

During the period ended September 30, 2012, the Company issued 2,552,633 warrants under the NBPP as discussed previously. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.35 per share for a period of 24 months from the date of the private placement.

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

Expected dividend yield	Nil
Risk-free interest rate	0.96%
Expected life	2 years
Expected volatility	103%*
Share price	$0.16

*Based on volatility of comparable companies

Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's warrants.

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

a) 13,772,500 Warrants entitling the holder to purchase one common share of the Company at $0.60 per share at any time on or before May 10, 2013.

b) 2,552,633 Warrants entitling the holder to purchase one common share of the Company at $0.35 per share at any time on or before June 18, 2014.

(iii) Broker Warrants

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

a) 919,900 Warrants entitling the holder to purchase one Private Placement Unit of the Company at $0.40 per Private Placement Unit at any time on or before May 10, 2013.

COMMITMENTS AND CONTINGENCIES

Mineral Property Commitments

A summary of the Company´s outstanding mineral property commitments, pursuant to property option agreements, as at September 30, 2012 is as follows (all amounts are in United States Dollars):

Staggered payments	**Year**	**Brechas Vacas**	**Chita**	**Minas de Pinto**	**Total**	**Brechas Vacas**
Payable in:		Cash				Shares
		$	$	$	$	$
	2012	50,000	-	-	50,000	
	2013	100,000	70,000	125,000	295,000	40,000
	2014	140,000	70,000	75 ,000	285,000	40,000
	2015	170,000	70,000	150,000	390,000	60,000
	2016	200,000	70,000	150,000	420,000	80,000
	2017	-	70,000	-	70,000	
Total staggered payments		**660,000**	**350,000**	**500,000**	**1,510,000**	**220,000**

Option payments	**Year**	**Brechas Vacas**	**Chita**	**Minas de Pinto**	**Total**	**Brechas Vacas**
Payable in:		Cash				Shares
		$	$	$	$	$
	2017	535,000	-	1,335,000	1,870,000	535,000
Total property payments		**1,195,000**	**350,000**	**1,835,000**	**3,380,000**	**755,000**

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

Exploration and drilling framework agreement:

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

As at September 30, 2012, the Company has drilled 3,360 m and the outstanding balance of the advance payment has been reduced to $59,472.

Services agreement with the Company's President and CEO:

On December 26, 2011, the Company entered into a services agreement with an effective date of June 1, 2011, with its President and CEO. Pursuant to the services agreement, an annual fee of $140,000, consisting of salary and directors fees of MSA, will be paid in monthly instalments by MSA. The services agreement continues in effect and the parties propose to formally renew it in due course. The services agreement contains a change of control provision, where "change of control" is defined as: (a) the acquisition by a person, group of persons or person acting jointly or in concert, or persons associated or affiliated within the meaning of the Securities Act (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert, of more than 50% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or (b) the election at any meeting of shareholders of a majority of directors not recommended by management. If, within six months following a "change of control", employment of the President and CEO is terminated by the Company without cause, the President and CEO shall be entitled to a lump sum severance payment of $280,000 and the immediate vesting of all unvested stock options.

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

On January 24, 2012, the Company entered into a consulting agreement with a director to become the Company's Vice-President (Exploration) in exchange for an hourly fee of $150 for office-based work on the Company's exploration program and a daily fee of $1,000 for exploration field work. Pursuant to an amendment to this agreement signed by both parties on May 4, 2012, the monthly fees charged under this agreement can range between a minimum of $6,000 per month and a maximum of $8,500 per month. The agreement expires January 18, 2013, and can be extended at the discretion of the Company's Board of Directors.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2012, the Company incurred the following related party transactions:

i) Transactions

a. A total of $5,091 in office rent expense and other minor expenses were charged by a shareholder of the Company.

b. A total of $105,000 was charged by the CEO of the Company.

c. A total of $35,734 was charged by an individual related to the Company's CEO.

d. A total of $33,000 of accounting and regulatory compliance fees and $18,000 of CFO fees was charged by an accounting firm in which the Company's CFO is a partner.

e. A total of $61,803 was charged by the Company's Vice-President (Exploration).

f. The amount of stock-based compensation expense for the period ended September 30, 2012, related to stock options granted to key members of management was $146,417.

ii) Period-end Balances

a. As at September 30, 2012, accounts payable and accrued liabilities included $311 payable to a shareholder of the Company.

b. As at September 30, 2012, accounts payable and accrued liabilities included $27,210 payable to accounting firm in which the Company's CFO is a partner.

c. As at September 30, 2012, accounts payable and accrued liabilities included $10,850 payable to the Company’s Vice-President (Exploration).

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

OFF-BALANCE SHEET TRANSACTIONS

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

BASIS OF PRESENTATION

The Company’s consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

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

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

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

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

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

RISK FACTORS

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

Commodities Price Risk

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

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

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

Environmental Risk and Regulation

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

Licenses and Permits

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

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

Exploration and Explotation Business Risks

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

Mining Properties

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

Currency Risk

The Company's primary operations are located in Argentina. The Company raises financing in Canadian funds and pays most of its Argentinean costs in United States Dollars or Argentinean pesos, and is therefore subject to foreign exchange risk on this payment stream.

Liquidity Risk

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

Credit Risk Management

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

Capital Risk Management

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

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

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

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

RECENT ACCOUNTING PRONOUNCEMENTS

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

RECENT ARGENTINE REGULATIONS

i) Foreign Currency Purchases

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

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

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

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

On March 1, 2012, MSA filed a formal petition before AFIP requesting the authorization to purchase the necessary United States Dollars in order to allow MSA to fulfill its obligations due within the year. On April 13, 2012, MSA received consent, and subsequently acquired United States Dollars in order to discharge its obligations for fiscal 2012.

So far all payments owed in United States Dollars have been made in United States Dollars. However, taking into account that since May 2012 the Argentine Government increased their level of control over the exchange of foreign currencies, it is increasingly possible that, unless a significant change in these rules happen, MSA will have to appeal to pay in Argentine Pesos at the official rate.

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

On June 28, 2012 the governor of the province of Chubut, Argentina raised for consideration by the provincial legislature, a draft law which if passed, will regulate oil and gas and mining activities in the province with increasing royalties and net profit interest as largely explained in the Company´s MD&A for the six month period ended June 30, 2012.

The most relevant aspect of this draft law for the Companies 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 the state agency, Petrominera.

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

Management is actively monitoring the evolution of this process, particularly because its interest in Carlos (24,213 has) located in the nearby town of Paso del Sapo, Plato Central – Gastre Fault were it is expected mining activities have a higher probability of being allowed in the near future.

Putrachoique prospect:

After suspending the mining activities for two consecutive periods of 36 months on the western area of the Province where the Putrachoique prospect is located, a new term of suspension was not enacted nor has the area been expressly released for mining activities. Given such uncertainties, management intends to protect the Company´s mining rights in the area. However the Company has also decided to terminate an Option agreement with third parties on an adjacent property called Genoa and the Putrachoique V mining claim requested by MSA covering the same area of Genoa, which has not yet granted to MSA. If the claim is granted to MSA, it will have to be transferred to the owners of Genoa given that it covers the same area. This is in accordance with the termination agreement signed by MSA on October 31, 2012.

(iii) Rio Negro Province:

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

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

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

SUBSEQUENT EVENT

Chita Environmental Impact Report:

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

MSA is devoted to hiring an independent advisor specialist to complete these requirements within the terms granted.

The Company´s environmental advisor, considering the backgrounds available to the company at present, indicates that within the area of the Chita property, there is no evidence of the existence of neither glacier nor periglacial landforms.

In October 2010, Argentina's National Congress passed a Federal Law 26.639, which intended to ban all mining activities on glaciers and in the periglacial regions in Argentina and requested to the Instituto Argentino de Nivologia, Glaciologia y Ciencias Ambientales (''IANIGLA'') an inventory to identify any glaciers or periglacial areas within the National territory. San Juan province had also enacted its own glacier protection law, which was basically aimed only at protecting glaciers. Several factors make the full impact of Federal Law 26.639 unclear: a number of the pro-mining provinces (including San Juan) have launched legal challenges to the federal law; definitions of ''glacier'' and ''periglacial'' have yet to be clarified by further Presidential regulations. In July 2012, the Supreme Court of Argentina dismissed an action by the Province of San Juan without ruling on the constitutionality of the Federal law.

QUALIFIED PERSONS

The Scientific and technical data included in this MD&A has been reviewed by Mr. Howard Coates, Professional Geoscientist, Director of the Company and a geological consultant. Mr Coates is a qualified person as defined by Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

ADDITIONAL INFORMATION

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