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

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Nine Months Ended September 30, 2013

INTRODUCTION

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Minsud Resources Corp. (the "Company" or "Minsud") to enable a reader to assess the financial condition and results of operations of the Company for the nine months ended September 30, 2013.

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

This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine month period ended September 30, 2013 (the "Financial Statements"), including the related note disclosure. The Financial Statements are presented on a consolidated basis and include the accounts of the Company, its wholly-owned subsidiary Minsud Argentina Inc. ("MAI"), and MAI's subsidiary Minera Sud Argentina S.A. ("MSA"), an Argentinean company in which MAI has a 98.45% ownership interest. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included therein and in the following MD&A are expressed in Canadian dollars unless otherwise indicated.

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

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING

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

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

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

CAUTIONARY NOTE

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

Factors that could cause the Company's actual results to differ materially from any forward-looking statements include, but are not limited to: delay in obtaining permits and environmental impact report approvals, failure to find an economically viable mineral deposit; the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in development of any project caused by unavailability of equipment, labour or supplies; changes to market and climatic conditions; failure to raise additional funds required to finance the completion of a project and other risk factors discussed or referred to in this MD&A and in other public disclosure documents filed with regulatory authorities, such as the Company's Filing Statement dated April 27, 2011.

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

CORPORATE OVERVIEW

Completed Qualifying Transaction and Brokered Offering

Pursuant to a definitive transaction agreement dated April 27, 2011, between the Company (formerly Rattlesnake Ventures Inc.), Minsud Resources Inc. ("MSR") and MSA, the Company acquired all of the issued and outstanding MSR shares by way of a three cornered amalgamation on May 10, 2011, resulting in the amalgamation of MSR and 1830835 Ontario Inc. ("CPC Subco"), to form MAI, (the "Minsud Transaction" or "Qualifying Transaction").

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

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

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

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

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

Annual Shareholders' Meeting:

On September 26, 2013 the annual Shareholders' Meeting was held. Each of the six nominees identified in the Management Information Circular dated August 26, 2013 were elected as directors of the Company.

Based on the ballot conducted at the meeting, the following individuals were elected as directors of the Company until the next annual meeting of the Company's shareholders. The results are set out below:

Name of Nominee	Votes Cast FOR	% of Votes Cast FOR	Votes WITHHELD	% of Votes WITHHELD
Diego E. Perazzo	30,824,947	97.67	736,000	2.33
Carlos A. Massa	30,824,947	97.67	736,000	2.33
Howard Coates	30,824,947	97.67	736,000	2.33
Scott White	30,824,947	97.67	736,000	2.33
Alberto Orcoyen	30,824,947	97.67	736,000	2.33
Eduardo Mendl	30,824,947	97.67	736,000	2.33

During the Shareholders' Meeting, 23 shareholders, representing the 17.692% of the Company's shareholders, voted 31,560,947 shares, representing 78.593% of the Company's issued and outstanding shares.

The appointment of Collins Barrow Toronto LLP as auditors of the Corporation and the Rolling Stock option plan as proposed by management were also approved by the Company's shareholders.

Principal Business of the Company

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

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

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

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

Current Board Members

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

All of them were reappointed as Board members during the annual Shareholders' Meeting held September 26, 2013.

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, 2013

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

A) Mining rights

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

MSA has requested a new claim covering 1,244 ha on the western area adjacent to the Brechas Vacas property that was found released in the mining cadastre of San Juan. As of the date of this MD&A, the application is still pending for concesion.

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 to this, a gap of 6.6 ha between the properties of Chita and Brechas Vacas has been claimed by third parties and is currently under dispute with the local mining authority. The Graphic Register of Mines (Registro Gráfico de minas) has denied registration to such third party 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, 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 that were based on the same plot augmented by MSA. Now the issue has progressed up to the Mining Council for final resolution. MSA has also requested the extension of the MDs Chita I and II (Manifestaciones de descubrimiento) up to the western boundaries with Brechas Vacas.

To summarize, the Company, through its affiliate MSA, owns 100% of the Chita mining rights. MSA is also beneficial the owner of 50% of the Brechas Vacas Trust, while the remaining 50% beneficial interest in the Trust held by the Brechas Vacas Owners is subject to an exclusive and irrevocable purchase option agreement granted in favor of MSA. The Brechas Vacas Trust owns 100% of the Brechas Vacas mining rights. MSA has an Exploration Agreement including a Purchase Option with the owners of the Minas de

Pinto properties to purchase 100% of the Minas de Pinto mining rights. Further information is disclosed in note 6 of the annual financial statements.

B) Chita Environmental Impact Report

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

MSA hired independent advisors and specialists to complete these requirements within the terms granted.

The report on glacier, periglacier and permafrost has been received and concludes that within the area of the Chita property, there are not any glacier forms such as those mentioned in the art 2 of the Provincial Law # 8144.

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

The monitoring of water has been completed yielding results within acceptable parameters.

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

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

C) Geological features and technical progress

The Company's Chita Valley Project (the "Project") is located in San Juan Province, Argentina. The Project is a large exploration stage Tertiary diatreme volcanic vent/porphyry complex with classic alteration features, widespread porphyry style Cu-Mo-Ag-Au mineralization, and associated epithermal gold and silver-bearing polymetallic veins.

The current exploration program represents a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market. Although Minsud is much better financed than many junior explorers, the current program reflects a careful go-slow approach designed to maintain the key assets that are its mineral properties and operational personnel. As a result, Minsud is currently concentrating primarily on the continuation of systematic detailed geological mapping and alteration studies with selective surface sampling and will defer outsourced programs such as geophysical surveys and drilling programs to a future period. Minsud is also engaging in discussions with a number of major companies in order to explore joint venture or other options for advancing the Chita Valley Properties.

The ongoing strategy is to continue expanding the areas covered by detailed mapping to eventually include the entire Chita Valley Properties area. The original lithological, alteration, structural and mineralization studies centred on the Chinchillones and Chita South Porphyry areas were expanded in 2013 to include other nearby sectors (Chita North Porphyry, Breccias Ridge- Porphyry “A”, Placetas Porphyry, Romina and Pinto) to eventually produce a coordinated exploration and mineral deposits model for the entire property. This work is about 75% complete at the time of writing.

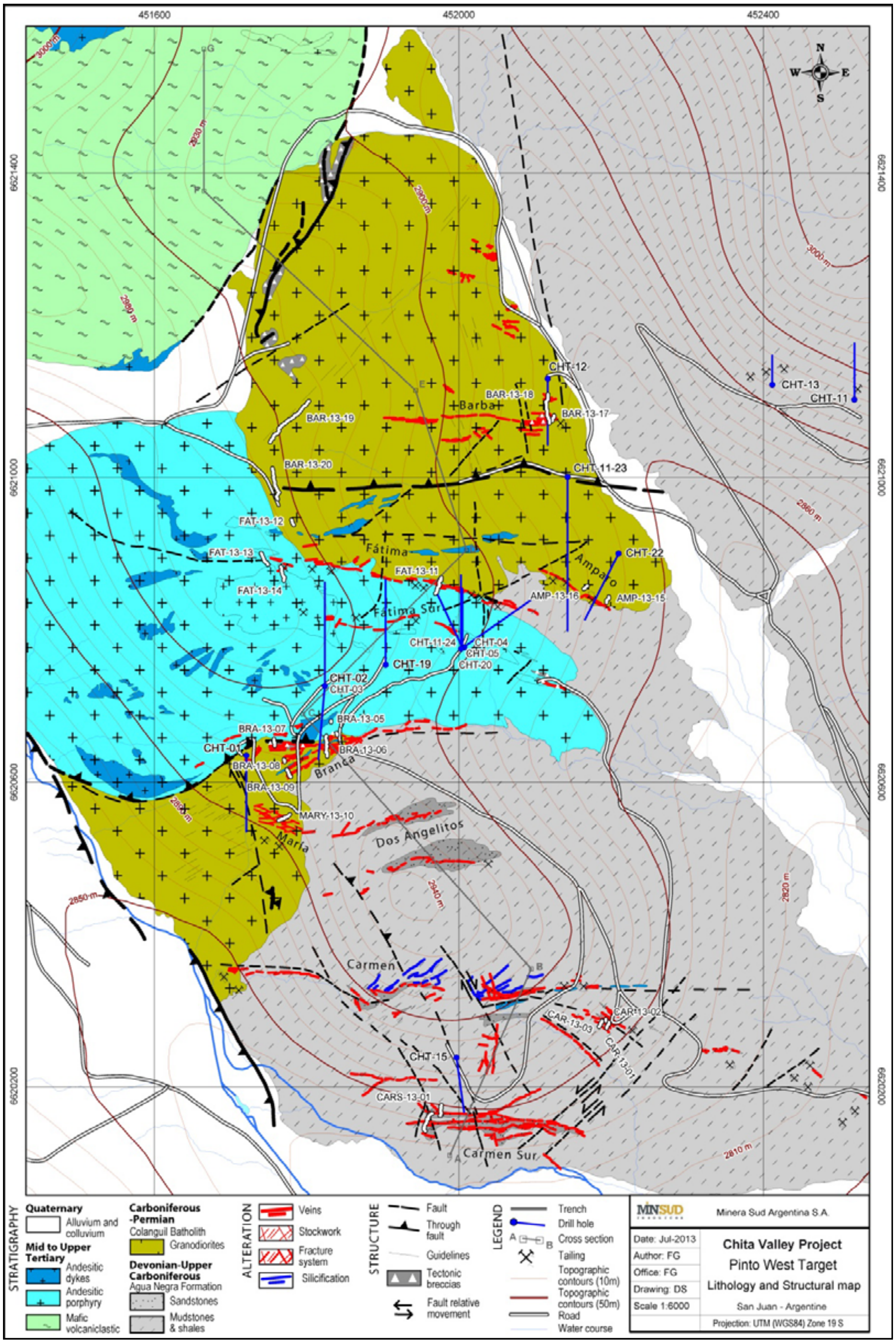
The Company’s work during the quarter ended September 30, 2013 concentrated mainly on the Pinto sector. The gold-silver mineralization in the western Minas de Pinto sector is associated with multiple episodes of Tertiary hydrothermal activity. The generally WNW oriented extensional vein system comprises a series of discrete veins, brecciated veins, sheeted parallel veins and vein stockworks that are typified by widespread elevated Au, Ag, As, Ba, Cu, Fe, Mn, P, Pb, S, and Zn values as well as localized elevated Mo and Sb concentrations. The polymetallic veins range from intermediate depth (mesothermal) to shallow (epithermal) in style in all areas examined. The superimposed and overlapping veins include quartz-sulphide (Au-Cu) type, carbonate (base metals-Au) and epithermal quartz or quartz-sericite (Au-Ag). The veins in general have the sinuous geometry and sigmoidal anastomosing patterns that typify multiple episodes of mineralization.

A key parameter with respect to the possible location of potential commercial concentrations of vein or lode-style precious and/or base metal deposits is a suitable host rock and structural setting combination. The empirical concentration of veining, without consideration to key element grade, is considered for the various lithological units. Depending on host rock, potentially mineralized veins vary from a few millimetres to approximately 10 metres in width:

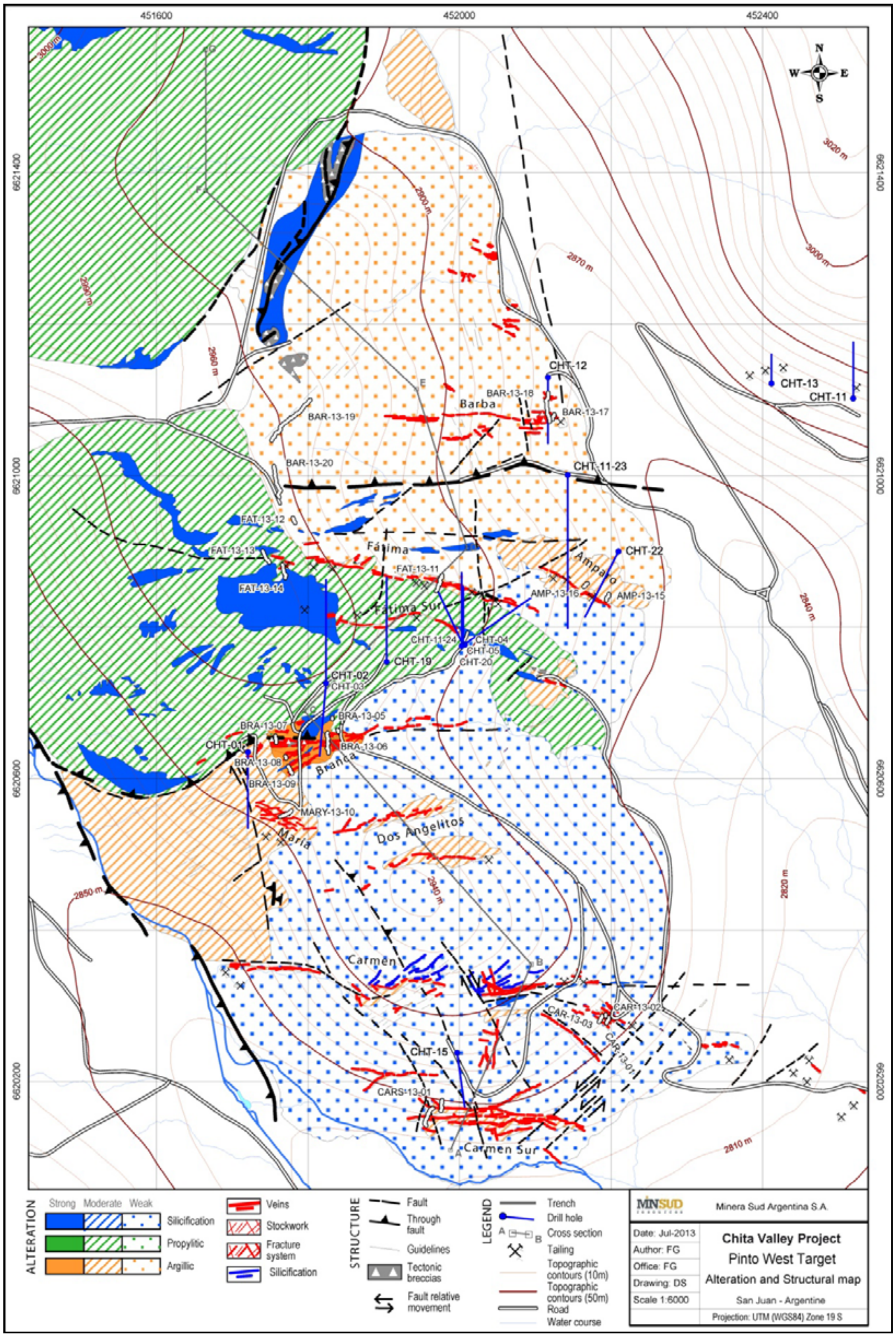
The Agua Negra Formation sedimentary sequence contains extensive tracts of veins and stockworks with associated argillic or silica alteration. It is noteworthy that in the finer-grained thin-bedded shales and siltstones vein structures including the alteration borders rarely exceed two metres in thickness. On the other hand the more brittle sandstone/quartzite interlayers may be altered and mineralized over widths up to 10 metres.

For additional information, please see the Chita Valley Project – Fact Sheet located on the Company’s website (www.minsud.com).

Geological map, West Pinto sector



Alteration map, West Pinto sector.



Structural features in the Colanguil Batholith granodiorite host sub-parallel narrow veins, very open, small breccias and stockworks, accompanied by strong argillic alteration and bleaching. Chita Complex porphyritic andesites typically host narrow veins, breccias and stockworks accompanied by late sericitization and silicification overprinted on earlier propylitic alteration. Fault contacts within or juxtaposing lithologic units host complex tightly confined mineralized areas. Mineral paragenesis based on field evidence indicates a paleotectonic setting overlapping the porphyry and epithermal environments.

The stages are as follows:

First stage	Quartz-chalcopyrite-pyrite
Second stage	Quartz-pyrite-chalcopyrite-sphalerite (Au-Ag)
Third stage	Carbonate-quartz-sphalerite-galena (Ag-Au)

The texture of the quartz varies from low temperature drusiform crystalline to higher temperature incipient banded milky quartz. Silica is present in each stage of mineralization progressively infilling dilational openings. Veins can also be carbonate, especially rhodochrosite.

D) Conclusions and Planned Activities

Recent Minsud mapping and sampling in the Carmen Vein area has identified one of the most promising intercepts obtained to date in the Pinto sector, channel sample section CAR-13-02, that encountered 3.0 metres averaging 11.69 g/t Au and 23.4 g/t Ag in strongly argillic altered, sheared and brecciated Agua Negra Formation sandstone with extensive veining. Tracing the sub-vertical Carmen vein structure along strike, the mineralization becomes substantially weaker in outcropping Agua Negra Formation shales and siltstones. This leads to the theory that the relatively competent and brittle sandstone stratigraphic horizons are more conducive to hosting mineralized veins and breccias than the more plastic, finer grained shales and siltstones. Thus it is postulated that the intersections between the various sub-vertical vein structures and the shallow to moderately dipping sandstone units might be favourable locations for economically significant Au-Ag concentrations.

The recommended ongoing work program in the Pinto area is twofold:

1. Further develop the Carmen Vein target area to the outline drilling stage. This will require more accurate survey control than is currently available utilizing DGPS methodology, detailed geological mapping at 1:500 scale, mechanical trenching for mapping and sampling purposes, careful geological and structural analysis to develop drilling targets, and finally the implementation of a drilling program.

2. Continue the systematic mapping and sampling program into the remainder of the property.

The Company's technical team is working on updating the existing Summary Report (last dated March 2013) with the field work performed during the fiscal year 2013, analysis and technical interpretations, conclusions and recommendations.

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 that now turned into the Alfa, Alfa II and Alfa III MDs (Manifestaciones de Descubrimiento)

On April 20, 2012, Alfa II, where the Mogote Hill area is located, was granted to the Company by the Secretary of Mines, Santa Cruz Province. On March 22, 2013, MD-Alfa was granted to the Company by the Secretary of Mines, Santa Cruz Province. The MD Alfa III is still pending for concession.

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

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

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

B) Geological features

The 100% owned La Rosita Project covers approximately 100 km2 located in the prolific Deseado Massif mining region of Santa Cruz Province, Argentina. The Project is a large exploration stage Jurassic low-sulphidation epithermal system associated with bimodal epicontinental volcanism. Target types include Ag-Au vein swarms, hydrothermal breccias and disseminated ore bodies in felsic domes.

No work was performed on the La Rosita Project in Santa Cruz Province during the quarter ended September 30, 2013.

Please see the La Rosita Summary Report dated October, 2012 located on the Company's website (www.minsud.com) for additional information.

SELECTED ANNUAL INFORMATION

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

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

PROJECT EXPENDITURES

Project expenditures for the three months ended September 30, 2013 are as follows:

Three months ended September 30, 2013	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	223	23,255	NIL	1,860	NIL	NIL	25,338
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	NIL	56	73	NIL	NIL	NIL	129
Labour and Technical Fees	8,263	10,586	79,763	549	503	NIL	99,664
Vehicles and Equipment	298	298	2,383	210	503	NIL	3,692
Travel and Lodging	731	1,354	6,138	NIL	1	NIL	8,224
Project Management	7,264	16,827	44,267	3,957	4,581	NIL	76,896
VAT Paid	122	240	4,216	143	281	NIL	5,002
Current Expenditures	**16,901**	**52,616**	**136,840**	**6,719**	**5,869**	**NIL**	**218,945**
Currency Translation Adjustment	(159,119)	(198,216)	(65,195)	(16,864)	(56,288)	(12)	(495,694)
Balance – beginning of period	**1,827,091**	**2,292,434**	**709,551**	**189,969**	**658,593**	**133**	**5,677,771**
Balance – end of period	**1,684,873**	**2,146,834**	**781,196**	**179,824**	**608,174**	**121**	**5,401,022**

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

Project expenditures for the nine months ended September 30, 2013 are as follows:

Nine months ended September 30, 2013	**Brechas Vacas ($)**	**Chita ($)**	**Minas de Pinto ($)**	**San Antonio ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	73,714	58,849	52,006	1,860	NIL	NIL	186,429
Road Construction	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	4,772	6,298	8,665	NIL	NIL	NIL	19,735
Labour and Technical Fees	77,918	116,958	165,221	1,284	1,982	NIL	363,363
Vehicles and Equipment	4,280	7,742	8,858	368	1,211	NIL	22,459
Travel and Lodging	3,294	11,876	11,572	NIL	1,017	NIL	27,759
Project Management	18,474	71,042	91,391	10,475	11,191	131	202,704
VAT Paid	5,230	3,737	6,316	574	921	NIL	16,778
Current Expenditures	**187,682**	**276,502**	**344,029**	**14,561**	**16,322**	**131**	**839,227**
Currency Translation Adjustment	(217,560)	(272,097)	(83,602)	(23,260)	(78,026)	(12)	(674,557)
Balance – beginning of period	**1,714,751**	**2,142,429**	**520,769**	**188,523**	**669,878**	**2**	**5,236,352**
Balance – end of period	**1,684,873**	**2,146,834**	**781,196**	**179,824**	**608,174**	**121**	**5,401,022**

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

Project expenditures for the three months ended 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	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:

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.

Brechas Vacas Property

During the nine months ended September 30, 2013, the Company spent $187,682 on the exploration of the Brechas Vacas Property, a decrease of $56,842 from expenditures of $244,524 during nine months ended September 30, 2012. The larger amount invested in 2012 is due to the construction of 415 metres of sawn channel trenches which were then sampled.

After acquiring new Geoeye imagery for mapping in detail and contracting a ground magnetometer survey in 2012, the Company completed a full map on the Breccia Chinchillones-Chinchillones South-Breccias Ridge-Porphyry A-De los Pozos Breccia areas during the period ended September 30, 2013. There was also work performed on infrastructure and gravel road access maintenance.

A more detailed description of the work performed can be found in section “Developments during the nine months ended September 30, 2013” in this MD&A.

Chita Property

During the nine months ended September 30, 2013, the Company spent $276,502 on exploration expenditures, a decrease of $584,707 compared to expenditures of $861,209 incurred during snine months ended September 30, 2012. The Company incurred significant acquisition costs of $435,029 during the nine months ended September 30, 2012.

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

A more detailed description of the work performed can be found in section “Developments during the nine months ended September 30, 2013” in this MD&A.

Minas de Pinto Property

During the nine months ended September 30, 2013, the Company spent $344,029 on the exploration of the Minas De Pinto Property, an increase of $165,903 from expenditures of $178,126 incurred during nine months ended September 30, 2012.

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

A more detailed description of the work performed can be found in section “Developments during the nine months ended September 30, 2013” in this MD&A.

La Rosita Property

During the nine months ended September 30, 2013, the Company spent $16,322 on the exploration of the La Rosita Property, a decrease of $420,628 when compared to expenditures incurred during nine months ended September 30, 2012. The Company dedicated significant resources to the La Rosita property during the 2012 fiscal year, and incurred significant expenditures related to mechanical trenching, sampling and road construction. The Company has scaled back the spending on the La Rosita property during fiscal 2013 due to financial restrictions.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three months ended September 30, 2013, the Company incurred expenses of $85,169. Expenditures decreased by $76,994 when compared to expenditures of $162,163 for the three months ended September 30, 2012. During the nine months ended September 30, 2013, the Company incurred expenses of $312,717. Expenditures decreased by $235,605 when compared to expenditures of $548,322 for nine months ended September 30, 2012.

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

Expenses related to stock-based compensation for the three and nine month periods ended September 30, 2013 were $2,861 and $17,152 and relate to the vesting of 735,000 stock options of which 510,000 were granted in 2012 with the remaining options granted in prior periods. These amounts represent decreases of $151,970 and $40,476 when compared to stock-based compensation expense of $43,337 and $169,122 incurred during three and nine month period ended September 30, 2012. This decrease is a consequence of the completion of the vesting period on December 9, 2012 of 3,360,000 stock options that had been granted upon completion of the Qualifying Transaction which vested throughout the nine month period ended September 30, 2012.

The Company incurred professional and regulatory fees of $55,261 and $207,350 during the three and nine month periods ended September 30, 2013. These amounts include management salaries and fees paid for the services of the CEO and CFO, as well as general accounting, audit and legal fees. Professional and regulatory fees decreased by $35,702 and $50,175 during the three and nine month periods ended September 30, 2013, when compared to same periods ended September 30, 2012.

Marketing and communications expenses of $2,058 and $12,486 were incurred by the Company during the three and nine month periods ended September 30, 2013. These expenses decreased by $7,150 and $29,773 when compared to the three and nine month periods ended September 30, 2012.

The Company incurred general and administrative expenses of $18,986 and $33,708 during the three and nine month periods ended September 30, 2013, representing an increase of $331 from similar expenses of $18,655 incurred during three months ended September 30, 2012 and a decrease of $20,192 from similar expenses of $53,900 incurred during the nine month periods ended September 30, 2012.

During the three and nine month periods ended three and 30, 2013, the Company earned gains of $52,125 and $181,664, respectively, which are 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 September 30, 2012.

Finally, the significant Currency translation adjustment that resulted in a loss of $480,119 during the quarter ended September 30, 2013 was due to a combination of two factors. First, the accelerated rhythm of devaluation of the Argentine Peso against the American Dollar of 6.99%, and, secondly, the revaluation of the Canadian Dollar against the American Dollar of 2.03%, generated an accumulated impact of 8.88 % when comparing the Argentine Peso with the Canadian Dollar (over the nine month period ended September 30, 2013, the Argentine Peso devalued against the American Dollar by 17.79%, and the Canadian Dollar devalued by 3.6% against the American Dollar, generating a net effect of 13.56% devaluation of the Argentine peso 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. It is expected that in the following periods, the Argentine government will accelerate this devaluation rhythm given the unrecognized actual inflation rate that is affecting the competitiveness of Argentina.

SELECTED QUARTERLY INFORMATION

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

Fiscal Year	2013			2012				2011
For the quarters ended	Sep	Jun	Mar	Dec	Sep	Jun	Mar	Dec
	$							
Net Revenues	143	328	707	1,418	670	1,518	2,648	3,662
Net income (loss) for the period	(32,091)	5,542	(102,516)	(140,920)	(161,493)	(192,197)	(189,796)	(222,774)
Comprehensive Loss for the period	(513,020)	(82,222)	(184,527)	(326,361)	(555,940)	(262,693)	(335,416)	(389,340)
Income (Loss) per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Factors affecting quarterly results

Fluctuations in quarterly results are caused by stock-based compensation related to the issuance of stock options, costs and fees related to the Qualifying Transaction completed in 2011 and exchange rate fluctuation of the Argentine peso.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $321,757 as at September 30, 2013, compared to working capital of $1,285,232 as at September 30, 2012. As at September 30, 2013, the Company held cash and cash equivalents of $513,401 versus $1,403,468 as at September 30, 2012.

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.

During this past fiscal quarter, Minsud has been exploring the Chita Valley Project, applying a program that represents a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market.

As a result, Minsud is currently concentrating primarily on the continuation of systematic detailed geological mapping and alteration studies with selective surface sampling in order to identify high quality of target, eventually to be drilled when financing is available.

During this fiscal quarter Minsud completed the program in the Chinchillones Diatreme Complex and also the western area of Minas the Pinto as reported in the Company's press releases dated July 18 and September 17, 2013 respectively.

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 rescheduling of the Pinto Agreement staggered payments obligations and the extendion of the terms for exercising the purchase option, have significantly reduced the Company's payment commitments for 2013, and particularly for 2014, with respect to Chita and Minas de Pinto properties.

On November 5, 2013, MSA signed a second amendment to the Pinto Agreement. Pursuant to the second addendum, the payment of US$75,000 due November 7, 2013 was replaced with a payment of $37,500 due November 7, 2013, and a payment of $37,500 due November 7, 2015. The restructured payments are within the terms of the Option Agreement.

As at the date of this MD&A, the remaining amounts to be paid to the Brechas Vacas owners during fiscal 2013 are US$ 50,000 payable in cash, and US$ 20,000 payable by common shares of the Company.

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

On September 10, 2013, Minsud closed a non-brokered private placement offering (the "Private Placement') of units in Minsud (the "Units") for gross proceeds of $360,000. In connection with the closing of the Private Placement, which was initially announced on August 14, 2013, Minsud issued 3,600,000 Units at a price of $0.10 per Unit with each Unit comprising of one common share in the capital of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one common share at a price of $0.35 per share for a period of 24 months from the closing date of the Private Placement.

The proceeds of the Private Placement will be used by Minsud for financing exploration costs, option payments relating to Minsud's material properties and for general working capital purposes.

Over the 3,600,000 Units issued under the Private Placement, 1,200,000 Units were purchased by Compañía de Tierras Sud Argentino S.A. ("CTSA"), a current insider and control person of the Company.

No commission or finder fee was paid in connection with the Private Placement. The common shares will be subject to a four month hold period expiring on January 11, 2014.

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.

On October 3, 2013, Minsud announced the grant of an aggregate of 580,000 incentive stock options under the Company's stock option plan, inclusive of an aggregate of 390,000 options issued to certain directors and officers. The options are exercisable at $0.10 per share, all of which shall vest one-quarter (1/4) on October 3, 2013, one-quarter (1/4) on April 3, 2014, one-quarter (1/4) on October 3, 2014, and one-quarter (1/4) on April 3, 2015, and shall be exercisable for a term of five years, in accordance with the Company's stock option plan. As of the date hereof, a total of 4,375,726 common shares of the Company are reserved for issuance under the Company's stock option plan, of which a total of 4,375,000 common shares are subject to options outstanding.

Share Capital

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

Shares outstanding	43,757,266
Options outstanding	4,375,000
Warrants	6,152,633
Put and Call Option	790,000
TOTAL	**55,074,899**

Options Outstanding

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

Exercise Price	Options Vested	Options Unvested	Remaining Contractual Life (Years)	,Expiry Date
$0.40	3,060,000	-	2.49	June 9, 2016
$0.40	225,000	-	2.90	October 26, 2016
$0.19	382,500	127,500	3.71	August 17, 2017
$0.10	145,000	435,000	4.83	October 3, 2018
	3,812,500	562,500	2.96	

Warrants Outstanding

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

Exercise Price	Warrants Outstanding	Remaining Contractual Life (Years)	Expiry Date
$0.35	2,552,633	0.79	June 18, 2014
$0.35	3,600,000	1.75	September 10, 2015
	6,152,633	1.35	

COMMITMENTS AND CONTINGENCIES

Mineral Property Commitments

In consideration for the transfer of ownership of the Chita Property, the Company is required to pay a total of US$420,000, payable as follows: US$30,000 payable in cash within ten days from the date on which the property owners accepted the Company's offer to exercise the purchase option; US$40,000 payable in cash simultaneously with the execution of the public deed evidencing the transfer of the Chita Property to the Company; and US$350,000 payable in ten semi-annual cash payments of US$35,000 each, the first of which shall be payable six months after the date of execution of the above mentioned public deed. As of the date of this MD&A, the Company has made the first four payments totalling US$140,000 ($140,819) and is in compliance with their payment commitments. The payments related to the exercise of the Purchase Option will be made as follows (all amounts are in United States Dollars):

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

A summary of the Company´s outstanding mineral property commitments, pursuant to property option agreements, as at September 30, 2013 is as follows (all amounts are in United States Dollars):

Staggered payments	**Year**	**Brechas Vacas**	**Minas de Pinto**	**Total**	**Brechas Vacas**
Payable in:			**Cash**		**Shares**
		$	$	$	$
	2013	50,000	37,500	87,500	20,000
	2014	140,000	75,000	215,000	40,000
	2015	170,000	187,500	357,500	60,000
	2016	200,000	150,000	350,000	80,000
Total staggered payments		**560,000**	**450,000**	**1,010,000**	**200,000**

Option payments	**Year**	**Brechas Vacas**	**Minas de Pinto**	**Total**	**Brechas Vacas**
Payable in:			Cash		Shares
		$	$	$	$
	2017	535,000	1,335,000	1,870,000	535,000
Total property payments		**1,095,000**	**1,785,000**	**2,880,000**	**735,000**

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

Exploration and drilling framework agreement:

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

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

Services agreement with the Company’s President and CEO:

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

On January 30, 2013, the Company entered into a new services agreement with its President and CEO with the same compensation terms and change of control provisions as the original services agreement discussed above. The new services agreement continued in effect until June 30, 2013.

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

The President and CEO can terminate the agreement without consequence by giving 90 days previous notice to the Company and MSA.

<u>Consulting agreement with the Company’s Vice-President (Exploration):</u>

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

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

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

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

RELATED PARTY TRANSACTIONS

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

i) Transactions

a. A total of $91,000 was charged by the CEO of the Company.

c. A total salary of $32,945 was charged by an individual related to the Company's CEO.

d. A total of $30,140 of accounting and regulatory compliance fees and $16,500 of CFO fees was charged by an accounting firm in which the Company's CFO is a partner.

e. A total of $67,368 was charged by the Company's Vice-President (Exploration).

f. The amount of stock-based compensation expense for the period ended September 30, 2013 related to the continued vesting of stock options issued to key members of management was $11,003.

ii) Period-end Balances

a. As at September 30, 2013, accounts payable and accrued liabilities included $1,484 payable to the CEO of the Company.

b. As at September 30, 2013, accounts payable and accrued liabilities included $22,515 payable to accounting firm in which the Company's CFO is a partner.

c. As at June 30, 2013, accounts payable and accrued liabilities included $7,150 payable to the Company's Vice-President (Exploration).

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

OFF-BALANCE SHEET TRANSACTIONS

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

BASIS OF PRESENTATION

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

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

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

These financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of the business. Accordingly, these financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these financial statements.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

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

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

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

RISK FACTORS

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

Commodities Price Risk

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

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

Year	Gold (Oz)			Silver (Oz)		
	Max	Min	Close	Max	Min	Close
2008	1,011	713	865	21	9	11
2009	1,213	810	1,104	19	11	16
2010	1,421	1,058	1,410	31	15	31
2011	1,897	1,316	1,575	49	26	28
2012 – Q1	1,788	1,590	1,661	37	29	32
2012 – Q2	1,675	1,538	1,570	33	27	27
2012 – Q3	1,781	1,566	1,781	35	27	35
2012 – Q4	1,790	1,648	1,664	35	30	30
2013 – Q1	1,693	1,569	1,603	32	28	29
2013 – Q2	1,598	1,203	1,203	28	19	19
2013 – Q3	1,426	1,226	1,336	25	19	22

Environmental Risk and Regulation

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

Licenses and Permits

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

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

Exploration and Explotation Business Risks

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

Mining Properties

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

Currency Risk

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

Liquidity Risk

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

Credit Risk Management

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

Capital Risk Management

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

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

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

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

RECENT ACCOUNTING PRONOUNCEMENTS

There have been recent amendments to a number of standards under IFRS-IASB which will become effective for the Company's fiscal years ended December 31, 2013. Management does not expect that the adoption of these amendments will have any impact on the financial reporting of the Company. In terms of future accounting pronouncements, IFRS 9, "Financial Instruments: Classification and Measurement", which is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. IFRS 9 will replace IAS 39. Management anticipates that the Company will not early adopt IFRS 9. Management has not yet had an opportunity to consider the potential impact of IFRS 9.

RECENT ARGENTINE REGULATIONS

i) Foreign Currency Purchases:

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

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

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

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

On June 28, 2012 the governor of the province of Chubut, Argentina raised for consideration by the provincial legislature, a draft law which if passed, will regulate oil and gas and mining activities in the province. The most relevant aspect of this draft law for the Company is that it introduces a series of new regulations that tend to increase the current royalties and impose the province's economic participation in mining projects through Petrominera, the Provincial State Agency.

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

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

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

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

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

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

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

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

(iii) Rio Negro Province:

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

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

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

(iv) Santa Cruz Province:

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

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

QUALIFIED PERSONS

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

ADDITIONAL INFORMATION

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