

Management's Discussion and Analysis of the Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2017

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**MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS**

For the Three and Nine Months Ended September 30, 2017

INTRODUCTION

The following is a Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Minsud Resources Corp. (the "Company" or "Minsud") to enable a reader to assess the financial condition and results of operations of the Company for the three and nine months ended September 30, 2017.

This MD&A has been prepared as at November 28, 2017 unless otherwise indicated.

This MD&A should be read in conjunction with the Company's Unaudited Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2017 including the related note disclosure (the "Financial Statements"),. 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 99.50% 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 340 Richmond Street West, Toronto, Ontario M5V 1X2. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and trades its common shares on the TSX Venture Exchange (the "Exchange"), under the symbol MSR. Additional information relevant to the Company's activities, including press releases, can be found on SEDAR at www.sedar.com or www.minsud.com.

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING

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

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

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

CAUTIONARY NOTE ON FORWARD-LOOKING INFORMATION

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

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

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

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

CORPORATE OVERVIEW

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

As a result of its Qualifying Transaction, the Company acquired all of the issued and outstanding shares of Minsud Resources Inc. ("MSR") by way of a three cornered amalgamation resulting in the amalgamation of MSR and 1830835 Ontario Inc., a wholly owned subsidiary of the Company, to form MAI (the "Minsud Transaction"). At the time of the completion of the Minsud Transaction, MAI became the owner of 95% of the issued outstanding shares of MSA, which was previously held by MSR. As at September 30, 2017, MAI held 106,951,699 of the 107,494,299 outstanding common shares of MSA, representing an ownership interest of 99.5%.

As of the date of this MD&A, the members of the Company's Board of Directors are Alberto Francisco Orcoyen (Non executive - Chairman), Carlos Alberto Massa (President and Chief Executive Officer), Howard Coates (Vice-President-Exploration), Scott White, Diego Perazzo, Hugo Dragonetti (Jr) and Carlos Adamo. As of the date of this MD&A, Mr. Orcoyen, Mr Adamo and Mr. White form the Company's audit committee, and Mr. Orcoyen, Mr Adamo and Mr Perazzo form the compensation committee. All members of the Company's Board of Directors were re-elected as Board members at the annual Shareholders' Meeting held October 3, 2017.

The Board of Director is made up of a majority of independent directors in accordance with the guidance of the Exchange policies. The independent directors are Alberto F. Orcoyen, Scott White, Carlos Adamo and Hugo Dragonetti (Jr).

PRINCIPAL BUSINESS OF THE COMPANY

The Company's principal exploration project is the Chita Valley project consisting of three contiguous core properties, namely, Chita, Brechas Vacas and Minas de Pinto mineral concessions (8,350 ha), and four additional claims adjacent to such properties, in total the company controls an area of 17,400 hectares or 174 square kilometers.

Minsud, through its subsidiary MSA, owns 100% of the Chita property and the four adjacent claims (Chita Este, Brechas Vacas Oeste, Chita Norte, and Chita Sur). Minsud is also the beneficial owner of a 50% interest in the respective trusts that own 100% of the Brechas Vacas property and the Minas de Pinto property. The remaining 50% beneficial interest in each of these properties is subject to exclusive and irrevocable purchase option agreement granted in favour of Minsud by the owner of each 50% of the beneficiary rights. All required payments and terms as per the various ownership agreements are up to date.

A 0.6% net smelter return royalty ("NSR") is payable to the Brechas Vacas property owners, with Minsud having the option to purchase a 0.3% NSR at any time for a one-time payment of US\$400,000. A 2% NSR on future production revenue from the Chita Norte and Chita Sur exploration permits is payable to Troy Resources Argentina Ltd. Minsud has the right to purchase one half or 1% of the NSR royalty by paying US\$750,000.

A gap of 6.6 hectares between the Chita property mining concession and Brechas Vacas property mining concession had been claimed by third parties and was under dispute with the local mining authority. The Graphic Register of Mines (Registro Gráfico de Minas) has denied registration to this third party's claim. This step is in line with the stance of Minsud in the sense that this claim does not have enough surface area for mineral dissemination nor for vein mineralization, according to the Argentine Mining Code. On September 17, 2013, the Legal Department of the Ministry of Mines of San Juan Province issued a legal opinion denying such third-party claims based on the same reasons argued by Minsud. The issue then progressed up to the Mining Council, which issued the final resolution confirming the denial of the claim of third parties and issuing an order to delete it from the Registro Gráfico de Minas. Minsud has requested the extension of the Chita property mining concession up to the western boundaries with the Brechas Vacas property mining concession to cover the whole area as the Company cannot carry out drilling in this gap until ownership is obtained. Approval is pending.

Thirty hectares within the boundaries of the Chita property mining concession are owned by third parties; however, Minsud does not consider this area as being material to its current exploration activities and is not in the process of acquiring this section.

The Company also owns 100% of the mining rights at La Rosita (9,970 ha) that this year progressed up to a ready for drilling stage. The La Rosita Property is a gold and silver prospect located within the Deseado Massif in the Area of Special Mining Interest of Santa Cruz Province. The La Rosita Property consists of the Alfa, Alfa II and Alfa III mining concessions, however, the majority of the exploration activity carried out by the Company has been on targets located on the the Alfa II (1,992 ha) mining concession.

Minsud is concentrating efforts in exploring both Chita and La Rosita, but depending of financial availability. It will also intend to be a more active player in the mining business value chain, either looking for a joint venture partner for existing properties or acquiring new exceptional properties for new discoveries.

BUSINESS DEVELOPMENTS DURING THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Early this year, Minsud proposed a \$1.65 million exploration program to be conducted primarily on the Chita South Porphyry of the Chita Valley Project where 1,500 metres of diamond drilling is planned to further define the mineral resources and the conceptual open pit mine model, and to continue with the bioleach SX-EW testwork. The combined data will eventually be utilized for a Preliminary Economic Evaluation. A modest amount of this budget would be used to carry out exploration on the La Rosita property as well as for working capital purposes.

During April 2017, the detailed planning for the 1,500 m drilling program was completed and awaits financing.

The significant recovery of Cu's price appears to be based on economic fundamentals that in the next months may energize the business chain. Minsud believes that better cash flow generation for the major mineral producers will encourage them to look into new business opportunities to replace resources and reserve consumption during the large cycle of poor metals prices. On the other hand, just a few junior mineral exploration companies have been exploring like Minsud in the Chita Valley Project.

The mineral potential of the Chita Valley Project as a whole goes far beyond the known Inferred Resources at Chita South Porphyry. Minsud has concentrated financial efforts in the South Porphyry (PSU) but management has already identified highly prospective targets like Minas de Pinto, North Porphyry, Chinchillones and Placetas which management believes have potential to increase the Company's overall resources.

Since June 2012, management has been able to raise more than \$9.3 million through nine non-brokered private placements from investors that share the Company's long term vision allowing the Company to continue its work in the field during these very difficult times.

On July 27, 2017, Minsud closed a non-brokered private placement offering of units in Minsud (the "Units") for gross proceeds of \$650,000 (the "Private Placement"). In connection with the closing of the Private Placement, which was initially announced on July 17, 2017, Minsud issued 6,500,000 Units at a price of \$0.10 per Unit with each Unit comprising of one common share in the capital of the Company (the "Shares") and one common share purchase warrant (the "Warrants"). Each Warrant is exercisable into one Share at \$0.15 until July 27, 2019.

The net proceeds will be used to continue exploring the Cu-Mo-Ag-Au deposit at the Chita porphyry including metallurgical tests, payments related to option agreements and financing of mining rights acquisitions, as well as working capital and corporate overhead requirements.

The metallurgical column tests prepared by BioSigma (Now Codelco Tech) using bioleaching technology for a further SX/EW metallurgical process indicates that such technique is a viable process option for the recovery of copper from medium to low grade sulphide ores at Chita Porphyry.

Minsud is also encouraged by the generally consistent elevated concentrations of Cu, Ag and Mo as well as the more localized anomalous Au values. With maximum elevation in the sector below 3,100 metres above mean sea level ("ASL"), field conditions are benign on a year-round basis and no active alpine glaciers are possible below approximately 4,100 m ASL.

Minsud plans to continue investigating the commercial possibilities for processing and recovering the key metals, while at the same time, conducting additional outline and definition drilling to further delimit the deposit and evaluate the grade distribution of the mineralization.

The Chita Property Environmental Impact Report ("EIR") or, in Spanish, the Declaración de Impacto Ambiental ("DIA"), which includes a requirement to carry out any mining related tasks, has recently been renewed for a period of two years ending October 10, 2019. This allows the Company to conduct ongoing multidisciplinary exploration surveys and activities including drilling and mechanical trenching.

On October 13, 2017, Minsud announced a new Diamond Drilling program to continue outlining the Inferred resource of Cu-Mo-Au-Ag. The 1,500-m program includes six new HQ holes and intends to

deepening of 11 existing holes. As of the date of this MD&A, the 1,500 m drilling program was completed, and the results are expected to be reported as soon as they are available.

At the same time, the Company is progressing on exploring the epithermal veining traceable for 8 kms along the Chita fault. The precious metal veins are believed to have potential complementary benefits to the deposit's economic model either as discrete high-grade areas of direct shipping material or as broader sectors of elevated Au/Ag inside the Cu wireframe. One epithermal prospect, the Condor Vein, shows extensive potential for high grade Au/Ag including a number very high or "Bonanza-type" assays. For more information, please see the Company's press release dated October 13, 2017 under the Company's profile at www.sedar.com or at the Company's website at www.minsud.com.

The Company has also installed new field works at La Rosita early during the next working season, basically completing regional mapping and sampling at the MDs Alfa and Alfa III. The potential drilling at the Alfa II is depending on specific financing or an agreement with a joint venture partner.

On October 20, 2017, Minsud announced its intention to complete a new non-brokered private placement of units of the Company for gross proceeds of up to \$ 900,000 at \$0.10 per unit, with each unit consisting of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one share at \$0.15 for a term of two years from the date of issue. The net proceeds will be used to continue exploring the Cu-Mo-Ag-Au deposit at the Chita porphyry including 1,500 metres DDH drilling to further define the mineral resources. Additionally a modest part of this financing will be used to carry out exploration on the La Rosita property.

EXPLORATION DEVELOPMENTS DURING THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Chita Valley Project

Minsud Resources Corp retained P&E Mining Consultants Inc. of Brampton, ON to complete a NI 43-101 Technical Report and Updated Mineral Resource Estimate on the Chita Valley Project, San Juan Province, Argentina. The report has an effective date of December 18, 2015 and a signing date of February 1, 2016. The reader is referred to this report for both summary and detailed information concerning all technical aspects of the Chita Valley Project as at the effective date of the report. The report may be viewed under the Company's profile at www.sedar.com

In December 2016, Minsud again retained P&E Mining Consultants Inc. to prepare an updated Mineral Resource Estimate. In P&E's opinion, the drilling, assaying and exploration work of the Chita Porphyry supporting this Mineral Resource Estimate are sufficient to indicate a reasonable potential for economic extraction. All Mineral Resources at a 0.3% Cu cut-off were classified as **Inferred category** based on the geological interpretation, semi-variogram performance and drill hole spacing. The Mineral Resource Estimate is tabulated below. The report may be viewed under the Company's profile at www.sedar.com.

CHITA IN PIT MINERAL RESOURCE ESTIMATE STATEMENT ⁽¹⁻⁴⁾					
All Inferred Mineral Resource at 0.3% Cu Cut-off					
Tonnes Mt	Cu %	Contained Cu M lb	Au g/t	Ag g/t	Mo %
37.0	0.44	362.7	0.07	2.2	0.018

- (1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. It is noted that no specific issues have been identified as yet.
- (2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.
- (3) The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
- (4) The 0.30% Cu resource cut-off grade was derived from the Nov 30/16 three year trailing average Cu price of US\$2.63/lb, 80% process recovery, 95% smelter payable, US\$0.08/lb refining charge, US\$10/t process cost, and US\$3/t G&A cost. An optimized pit shell was utilized for resource reporting that utilized a US\$2/t mining cost and 45 degree pit slopes.

CHITA PIT CONSTRAINED MINERAL RESOURCE ESTIMATE SENSITIVITY						
Cu Cut-off	Tonnes	Cu %	Contained Cu M lb	Au g/t	Ag g/t	Mo %
0.80%	0.9	0.99	20.5	0.21	11.8	0.012
0.70%	1.8	0.87	34.8	0.20	9.3	0.014
0.60%	3.8	0.75	63.0	0.15	6.53	0.016
0.50%	8.5	0.64	118.8	0.11	4.4	0.017
0.45%	13.0	0.58	166.6	0.10	3.6	0.017
0.40%	19.6	0.53	227.5	0.09	3.0	0.018
0.35%	28.8	0.48	303.5	0.08	2.5	0.018
0.30%	37.0	0.44	362.7	0.07	2.2	0.018
0.25%	40.9	0.43	386.5	0.07	2.1	0.018

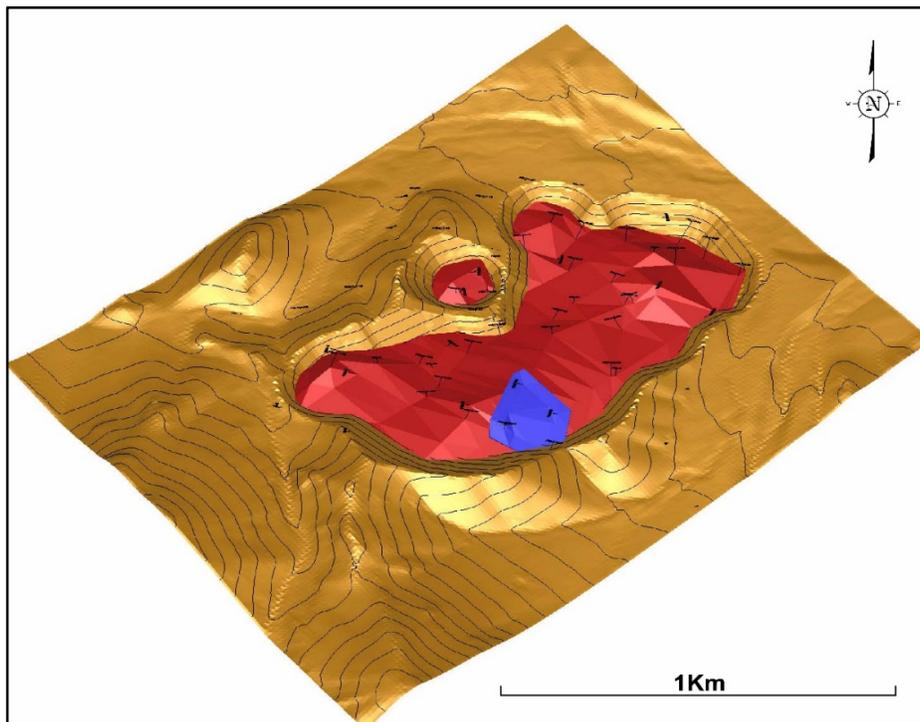


Figure 1: Chita Conceptual Pit Constrained Inferred Resource Diagram (oblique view looking North).

Work Program for the Three and Nine Months Ended September 30, 2017:

During the first months of fiscal 2017 geological and support staff were primarily occupied with updating various maps, sections, databases, QA/QC files with the results of the Q4 2016 drilling program.

Bioleach Solvent Extraction-Electrowinning (“SX-EW”) process testwork on Chita samples was completed at the CodelcoTec Sp. A. (“CodelcoTech”) laboratory in Santiago, Chile. This process results in the production of high quality LME grade copper metal typically at low capital and operating cost. In January 2017, the Company submitted six representative drill core samples to CodelcoTech.

- All six samples were evaluated for bioleaching potential by **Selective Copper Extraction Tests** (“S. E. T.”) with values ranging between 80 and 95% of the total contained Cu. Samples Met1, Met2 and Met4 S.E.T, test values were 82, 80 and 83%, respectively.
- Three of the six samples (Met1, Met2 & Met4) were then evaluated by **bioleaching tests in columns of 60 cm height and 4 kg capacity** to verify the Cu recovery value delivered by the S.E.T. tests, primarily to determine the dissolution kinetics of copper. The column tests results

for samples Met1, Met2 and Met4 test values were closely similar to the S.E.T. tests at 80, 79 and 80%, respectively.

- In the opinion of CodelcoTech the introduction of a **secondary wash stage** at the end of the bioleaching cycle can increase the extraction value by 3 to 4%.

The geological team continues with detailed mapping and sampling of various target areas that are accessible by new road construction.

In 2016 and 2017, detailed mapping and sampling of epithermal Au/Ag vein areas in the Chita Porphyry was conducted mostly inside the Inferred Resources wireframe model. The precious metal veins are believed to have potential complementary benefits to the deposit's economic model either as discrete high-grade areas of direct shipping material or as broader sectors of elevated Au/Ag inside the Cu wireframe. One epithermal prospect, the Condor Vein, shows extensive potential for high grade Au/Ag including a number very high or "Bonanza-type" assays. See Table below. Limited bulldozer trenching is planned for the fourth quarter of fiscal 2017.

Condor Vein, Surface Channel Sampling Results

SampleID	Eastings	Northing	Elevation	Strike	Dip	Thickness	Au	Ag	Ag/60	AuEq
	m	m	m			cm	g/t	g/t	g/t	g/t
15043	2450038	6621344	3012	N70°	85°N	35	0.72	75.6	1.3	1.98
15044	2450045	6621348	3013	N70°	85°N	20	1.63	265.0	4.4	6.05
15045	2450048	6621347	3014	N70°	85°N	30	0.15	24.8	0.4	0.56
15046	2450055	6621349	3011	N70°	85°N-90°	25	5.64	449.0	7.5	13.12
15047	2450058	6621352	3011	N60°	85°N-90°	15	1.05	80.7	1.3	2.39
15048	2450060	6621351	3008	N55°	85°N-90°	30	0.84	77.3	1.3	2.13
15049	2450067	6621356	3007	N60°	75°N	30	2.58	245.0	4.1	6.66
15050	2450084	6621361	3002	N65°	85°N	20	4.41	489.0	8.2	12.56
15051	2450098	6621370	2993	N70°	75°N	20	42.10	2390.0	39.8	81.93
15052	2450112	6621375	2981	N70°	75°N	20	46.50	2660.0	44.3	90.83
15053	2450114	6621377	2981	N70°	75°N	20	2.54	794.0	13.2	15.77
15054	2450134	6621384	2972	N70°	75°N	15	5.73	850.0	14.2	19.90

Plans for the remainder of 2017 (subject to financing include a 1,500-meter HQ diamond drilling program in the Chita Porphyry sector of the Chita Valley Project. The main objective is to continue outlining Cu-Au-Ag-Mo mineralization and Inferred Resources at relatively shallow depth beneath the zone of surface weathering and oxidation. Better Cu values are typically associated with the zone of supergene enrichment and the transition to primary mineralization at depth. The 1,500-m program includes 6 new HQ holes and the deepening of 11 existing holes. Also, as funding permits, the Company will proceed to the next stage of 2.0 m Bioleach column testwork. With the usual mining, processing, infrastructure and environmental studies, etc. the Company intends to assess the economic viability of the deposit as quickly as funding permits. Also, as funding becomes available, Minsud will advance the other target areas throughout the Chita Valley Project.

La Rosita Project

The Deseado Massif consists of Paleozoic to late Precambrian metamorphic basement unconformably overlain by Middle to Upper Jurassic bimodal andesitic and rhyolitic volcanic and volcanoclastic and epiclastic units. Cretaceous sediments and Tertiary to Quaternary basalts overlie the Jurassic volcanics. The Deseado Massif is an important producer of Ag-Au metals in Argentina. The region boasts over 80 Ag-Au occurrences including: five mines/former producers, seven advanced projects and over seventy known mineral occurrences.

The key part of the paleotectonic setting in terms of Ag-Au mineral deposits potential is the Middle to Upper Jurassic bimodal volcanic suite set in an extensional back-arc environment related to the opening of the Atlantic Ocean. The mineralization is typically low-sulphidation epithermal associated with quartz veins, breccias and widespread silicification. Epithermal precious metals vein systems in the Deseado Massif are located along distinctive WNW and NNW structural trends proximal to rhyolite domes.

Field work resumed at La Rosita in the latter part of February 2016. Site reclamation work was completed after a final geological examination of the 51 mechanical trenches. All trenches have been backfilled and the land surface is restored to its original contours.

In May 2016, eleven lines totaling 12 line kilometres of Pole-Dipole IP/Resistivity surveying were completed. The survey identified several target areas that have been assessed in conjunction with previously obtained magnetic, geological, geochemical, structural and alteration data to plan a drilling program. Priority targets with a close spatial relationship with known precious metal mineralization, have been identified.

A reconnaissance geological mapping and prospecting program was initiated during the quarter ended September 30, 2017 for the remainder of the large area (Alfa III and Alfa) of prospective mineral holdings with a report due to be completed in the fourth quarter of fiscal 2017.

As requested by the Mining authority, MSA engaged a surveyor to accurately locate Alfa II in which most of the targets identified so far are located. It is expected that the Company will complete the field work and prepare the corresponding documents in November 2017 to be filed early in December 2017.

Recommendations:

The recommendations for ongoing work on the La Rosita Properties encompass two main exploration/development objectives:

- The main recommendation is the implementation of a diamond drilling program to test the southwestern part of the La Rosita Property where systematic exploration has been completed. The program is designed as an initial test of specific epithermal veins for Ag-Au mineralization and to further define the basic exploration parameters (lithology, alteration, structure, mineralization, whole rock and trace element geochemistry, geophysical properties, etc.). A ten to twelve-hole program with a cumulative total of 3,000 metres is recommended
- Systematic multidisciplinary exploration is recommended for the remainder of the large area of prospective mineral holdings as funding becomes available.

SELECTED ANNUAL INFORMATION

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

	As at and for the Year Ended December 31, 2016 (\$)	As at and for the Year Ended December 31, 2015 (\$)	As at and for the Year Ended December 31, 2014 (\$)
Other Income	-		420
Net loss for the year	(685,334)	(261,937)	(385,722)
Comprehensive loss for the year	(2,128,467)	(2,150,361)	(1,176,049)
Non-current assets	7,902,515	7,725,085	6,771,490
Current Assets	994,847	629,966	249,648
Non-current liabilities	174,772	380,297	466,981
Current Liabilities	485,695	474,678	515,104
Working Capital	509,152	155,288	(265,456)
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	15,614,345	13,420,207	10,669,507
Shareholders' Equity	8,236,895	7,500,076	6,039,053

PROJECT EXPENDITURES

Project expenditures for the three months ended September 30, 2017 are as follows:

Three months ended September 30, 2017	Chita (\$)	Brechas Vacas (\$)	Mínas de Pinto (\$)	La Rosita (\$)	San Antonio (\$)	Other (\$)	Total (\$)
Acquisition costs (a)	1,827		8,626	NIL	NIL	NIL	10,453
Drilling	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Road	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	36,047	NIL	NIL	NIL	NIL	NIL	36,047
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Labour and Technical Fees	72,708	614	2,217	7,676	NIL	NIL	83,215
Vehicles and Equipment	4,798	NIL	NIL	3,386	NIL	NIL	8,184
Travel and Lodging	9,740	(535)	(535)	3,952	NIL	NIL	12,622
Project Management	55,683	4,390	7,519	10,691	1,464	994	80,741
VAT Paid	4,140	48	48	715	NIL	NIL	4,951
Current Expenditures	184,943	4,517	17,875	26,420	1,464	994	236,213
Currency Translation Adjustment	(351,743)	(80,087)	(73,051)	(31,291)	NIL	(364)	(536,536)
Write-offs	NIL	NIL	NIL	NIL	(1,464)	NIL	(1,464)
Balance – beginning of period	5,136,533	1,140,488	1,045,445	452,601	NIL	4,724	7,779,791
Balance – end of period	4,969,733	1,064,918	990,269	447,730	NIL	5,354	7,478,004

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

Project expenditures for the nine months ended September 30, 2017 are as follows:

Nine months ended September 30, 2017	Chita (\$)	Brechas Vacas (\$)	Minas de Pinto (\$)	La Rosita (\$)	San Antonio (\$)	Other (\$)	Total (\$)
Acquisition costs (a)	3,642	34,899	25,549	NIL	NIL	NIL	64,090
Drilling	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Road	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	122,765	NIL	1,004	NIL	NIL	NIL	123,769
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Labour and Technical Fees	178,137	27,080	26,531	10,410	NIL	NIL	242,158
Vehicles and Equipment	13,078	2,177	2,177	3,386	NIL	NIL	20,818
Travel and Lodging	26,666	2,202	2,193	3,952	NIL	NIL	35,013
Project Management	161,265	36,088	34,055	22,993	4,568	1,228	260,197
VAT Paid	8,127	1,114	1,439	718	NIL	NIL	11,398
Current Expenditures	513,680	103,560	92,948	41,459	4,598	1,228	757,443
Currency Translation Adjustment	(743,631)	(170,070)	(155,039)	(66,055)	37	(766)	(1,135,524)
Write-offs	NIL	NIL	NIL	NIL	(4,605)	NIL	(4,605)
Balance – beginning of period	5,199,684	1,131,428	1,052,360	472,326	NIL	4,892	7,860,690
Balance – end of period	4,969,733	1,064,918	990,269	447,730	NIL	5,354	7,478,004

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

Project expenditures for the three month period ended September 30, 2016 are as follows:

Three months ended September 30, 2016	Chita (\$)	Brechas Vacas (\$)	Minas de Pinto (\$)	La Rosita (\$)	San Antonio (\$)	Other (\$)	Total (\$)
Acquisition costs (a)	1,985	NIL	3,029	NIL	NIL	1,396	6,410
Drilling	368,361	NIL	NIL	NIL	NIL	NIL	368,361
Road	34,539	NIL	NIL	NIL	NIL	NIL	34,539
Assays	1,135	NIL	NIL	NIL	NIL	NIL	1,135
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Labour and Technical Fees	104,511	737	980	5,645	54	NIL	111,927
Vehicles and Equipment	10,351	NIL	NIL	NIL	NIL	NIL	10,351
Travel and Lodging	16,838	NIL	NIL	NIL	NIL	NIL	16,838
Project Management	72,791	4,490	6,691	5,971	1,164	44	91,151
VAT Paid	28,774	169	83	NIL	NIL	NIL	29,026
Current Expenditures	639,285	5,396	10,783	11,616	1,218	1,440	669,738
Currency Translation Adjustment	(36,751)	(6,911)	(6,583)	(3,043)	(658)	(45)	(53,991)
Write-offs	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Balance – beginning of period	4,236,484	1,097,972	1,036,150	465,953	100,509	2,742	6,939,810
Balance – end of period	4,839,018	1,096,457	1,040,350	474,526	101,069	4,137	7,555,557

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

Project expenditures for the nine month period ended September 30, 2016 are as follows:

Nine months ended September 30, 2016	Chita (\$)	Brechas Vacas (\$)	Minas de Pinto (\$)	La Rosita (\$)	San Antonio (\$)	Other (\$)	Total (\$)
Acquisition costs (a)	30,179	26,624	50,863	NIL	NIL	1,396	109,062
Drilling	368,361	NIL	NIL	NIL	NIL	NIL	368,361
Road	34,539	NIL	NIL	15,134	NIL	NIL	49,673
Assays	23,136	NIL	NIL	526	NIL	NIL	23,662
Geophysics	NIL	NIL	NIL	32,870	NIL	NIL	32,870
Labour and Technical Fees	334,520	6,593	7,154	23,879	292	NIL	372,438
Vehicles and Equipment	34,455	NIL	NIL	2,956	NIL	NIL	37,411
Travel and Lodging	41,666	NIL	NIL	17,109	NIL	NIL	58,775
Project Management	170,342	19,554	21,310	36,167	4,131	356	251,860
VAT Paid	22,221	(56,134)	(2,420)	(2,058)	3	NIL	(38,388)
Current Expenditures	1,059,419	(3,363)	76,907	126,583	4,426	1,752	1,265,724
Currency Translation Adjustment	(862,185)	(241,707)	(219,512)	(84,209)	(22,171)	(637)	(1,430,421)
Write-offs	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Balance – beginning of period	4,641,784	1,341,527	1,182,955	432,152	118,814	3,022	7,720,254
Balance – end of period	4,839,018	1,096,457	1,040,350	474,526	101,069	4,137	7,555,557

Chita Valley Project (Chita – Brechas Vacas – Minas de Pinto)

During the nine months ended September 30, 2017, the Company spent \$646,098 on the continued exploration of the Chita Valley Project, a decrease of \$460,951 when compared to expenditures of \$1,107,049 (net of a VAT recovery) during the nine months ended September 30, 2016. The majority of the decrease relates to \$368,361 spent on drilling during the nine months ended September 30, 2016.

The majority of the exploration expenditures in the amount of \$510,038 for the nine months ended September 30, 2017 were spent on the Chita property.

Expenditures incurred related to the Chita Valley project during the nine months ended September 30, 2017 are primarily related to the following:

- (1) Monthly payments to Codelco Tech according to the progress of the Metallurgical tests program agreed upon with them, already explained in the technical part.
- (2) Labour and technical fees: the Company maintains a full team in the field made up of two geologists and five operators, on a year-round basis. During the three and nine months, ended September 30, 2017, expenditures on labour and technical fees for the Chita Valley project were primarily related to:
 - (i) Continued systematic exploration;
 - (ii) Updating detailed mapping as well as long and cross sections in the Chita South sector (PSU);
 - (iii) Planning and coordination of the field work activities for a new drilling campaign;
 - (iv) Mapping and sampling for the potential of the already known epithermal Au-Ag veins inside the conceptual pit model.
- (3) Project management includes all operative, administrative and logistical labor costs and expenses that give support to the team on the field represented by the San Juan and Buenos Aires offices.

Early in this quarter MSA initiated a reorganization process that concluded in the elimination of the Buenos Aires office, translating all the technical information to San Juan and managing the reduced administration at a smaller office. The full impact of this downsize will be noted in the following quarter.

La Rosita Property

During the nine months ended September 30, 2017, the Company spent \$41,459 on its La Rosita property. This amount represents a decrease of \$85,124 when compared to expenditures of \$126,583 incurred during the nine months ended September 30, 2016. During 2016 the Company signed an agreement with the landowner to access to the property and backfilled 51 mechanical trenches and executed a full regional campaign to conduct 11 lines for 12 km of IP/Resistivity research on the main targets identified. There was no significant work of note performed during the nine months ended September 30, 2017.

San Antonio Property

During the nine months ended September 30, 2017, the Company spent \$4,598 on the San Antonio property. As the same indicators of impairment existing at December 31, 2016 are still present at September 30, 2017, the expenditures have been written off. A similar amount was spent during the nine months ended September 30, 2016.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three months ended September 30, 2017, the Company incurred total expenses of \$116,004 representing an increase of \$2,971 when compared to expenses of \$113,033 for the three months ended

September 30, 2016. The increase in total expenses is primarily due to an increased amount in stock-based compensation expense (\$4,582), and general and administrative expenses (\$3,645) which were partially offset by decreases in professional fees charged (\$5,193).

Cash expenses incurred by the Company of \$89,513 for the three months ended September 30, 2017, represent a decrease of \$3,075 when compared to cash expenses of \$92,588 for the three months ended September 30, 2016.

During the nine months ended September 30, 2017, the Company incurred total expenses of \$440,073 representing an increase of \$48,734 when compared to expenses of \$391,339 for the nine months ended September 30, 2016. The increase in total expenses is primarily due to an increased amount in stock-based compensation expense (\$33,992), professional fees charged (\$21,162) and general and administrative expenses (\$6,630) which were partially offset by a decrease in taxes on ownership of subsidiary (\$15,707).

The Argentine tax on ownership payable by investors from abroad was reduced from 0.50% to 0.25% based on any subsidiary assets.

Cash expenses incurred by the Company of \$292,341 for the nine months ended September 30, 2017, represent an increase of \$10,137 when compared to cash expenses of \$282,204 for the nine months ended September 30, 2016.

Professional and regulatory fees include management salaries and fees paid for the services of the CEO and CFO, as well as general accounting, audit, legal and regulatory fees. The Company incurred professional and regulatory fees of \$63,982 and \$233,495 during the three and nine months ended September 30, 2017. These expenses represent a decrease of \$5,193 and an increase of \$21,162, when compared with expenses of \$69,175 and \$212,333 incurred during the three and nine month periods ended September 30, 2016. The increase during the nine month period is primarily related to advance fees and out of pocket expenses paid to a capital market firm hired to assist management in completing a new fundraising (“the mandate”). After renewing the mandate for a second period of 90 days (180 in total) the objective wasn't reached and the mandate was terminated without any additional cost for Minsud. The decrease during the three month period ended September 30, 2017 is a result of reduced legal and transfer agent fees.

The Company incurred marketing and communications expenses of \$1,485 and \$10,761 during the three and nine months ended September 30, 2017, which were consistent with the same expenses incurred during the three and nine months ended September 30, 2016.

The Company incurred general and administrative expenses of \$17,777 and \$44,986 during the three and nine months ended September 30, 2017, representing moderate increases of \$3,645 and \$6,630 when compared to similar expenses of \$14,132 and \$38,356 incurred during the three and nine months ended September 30, 2016.

The Company incurred expense of \$6,269 and \$3,099 related to accruals for taxes payable related to the ownership of MSA during the three month and nine month periods ended September 30, 2017. While the expense for the three month period is consistent year-over-year, the Company reversed some of the amounts accrued for a prior period. When the amounts accrued for the 2016 fiscal year were paid during the second quarter of fiscal 2017, the result was that a change in the tax rate resulted in the payment of an amount that was less than originally estimated.

The Company also incurred the following non-cash expenses that contributed to the net loss for the three and nine months ended September 30, 2017:

- Expenses related to stock-based compensation for the three and nine months ended September 30, 2017 were \$25,027 and \$143,127, respectively. Stock-based compensation for the three and nine months ended September 30, 2017, increased by \$4,582 and \$33,992 when compared to stock-based compensation expense of \$20,445 and \$109,135 for the three and nine months ended September 30,

2016. The fluctuations in stock-based compensation year-to-year is a factor of the timing related to the vesting of stock options during the fiscal periods, as well as new stock options granted during December, 2016.

- Write-offs of exploration expenses during the three and nine months ended September 30, 2017 of \$1,464 and \$4,605 related to the San Antonio property, as the Company had no further plans to explore the San Antonio property and had to cut out further expenses on the area. The Company had no such write-offs of its mineral properties during the three and nine months period ended September 30, 2016.

Finally, the significant currency translation adjustment that resulted in accounting losses of \$514,777 and \$1,101,409 during the three and nine months ended September 30, 2017 was due to fluctuations in the value of the Argentine Peso against the US Dollar as well as the fluctuation of the Canadian Dollar against the US Dollar.

It should be noted that, historically, the Company's foreign currency translation in accordance with IFRS has had a negative impact on the Canadian Dollar values of the MSA net assets, and the Company has reported losses related to the foreign currency translation on its consolidated statement of comprehensive loss. This negative impact is the result of the habitual trend in Argentina to devalue its currency due to high internal inflation rates. The government of Argentina has stated that reducing inflation is one of its main targets for 2017. According to the Central Bank of Argentina's forecast, the inflation rate for the current year would be approximately 17% (inflation for year 2016 was 40.9%). The currency translation adjustments discussed above primarily relate to amounts capitalized as mineral properties. The impact of the translation on the Company's liquid assets was minimal.

During the nine month period ended September 30, 2016, the Company disposed of plant and equipment, the result of which was a gain of \$15,161. There were no such gains during the periods ended September 30, 2017.

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	2017			2016			2015	
	Sep	Jun	Mar	Dec	Sep	Jun	Mar	Dec
For the quarters ended	\$							
Net Revenues	Nil	Nil						
Net income (loss) for the period	(115,987)	(159,286)	(163,208)	(309,156)	(113,033)	(123,366)	(139,779)	81,132
Comprehensive Income (Loss) for the period	(630,764)	(895,547)	(13,579)	(380,913)	(165,848)	(315,179)	(1,266,527)	(2,095,533)
Income (Loss) per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)

Factors affecting quarterly results

Fluctuations in quarterly results are primarily caused by stock-based compensation related to the issuance of stock options and exchange rate fluctuation of the Argentine peso. During the quarter ended March 31, 2017, the revaluation of the Argentine Peso resulted in a gain for accounting purposes that is not consistent with historical results.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of \$104,028 as at September 30, 2017, compared to working capital of \$509,152 as at December 31, 2016. As at September 30, 2017, the Company held cash and cash equivalents of \$430,783 versus \$931,010 as at December 31, 2016.

Mineral exploration companies continue to operate under highly stressed market conditions combined with poor venture capital markets. However, since the third quarter of 2016, the prices of base and precious metals have improved, therefore, some green shoots encourage prudent but consistent exploration investments.

The Company has been able to ride out the difficult times following the rule of being prudent with the use of funds while continuing to explore its properties to generate asset value. The aftermath is that now the Company is prepared to move forward at a quicker pace according to the availability of financial resources.

Minsud has been able to maintain control of the key properties as well as renegotiating and rescheduling payments as follows:

(i) The acquisition of the 100% of the Chita property with medium-term financing, settled on September of 2017. It should be noted that Chita is the core property on the Chita Valley Project in which the Company has invested the largest portion of its financial resources, and it is now supported by a resource estimation and metallurgical tests.

(ii) The acquisition of the 50% interest in the Minas de Pinto Trust through vendor's financing, which was later negotiated to extend the term of the payments to 2019, as well as the term for exercising the purchase option for the remaining 50% beneficial interest to 2020; and

(iii) The re-scheduled staggered payments and the terms of the option payment on the remaining 50% beneficial interest in the Brechas Vacas Trust to 2021.

For more details, please refer to **COMMITMENTS AND CONTINGENCIES** in this MD&A.

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

During the nine months ended September 30, 2017, the Company issued 6,500,000 units (pursuant to a non-brokered private placement) for proceeds of \$650,000. Each unit consists of one common share and one warrant. Each warrant is exercisable into one common share of the Company at \$0.15 for a term of two years from the date of issue. The common shares and warrants issued will be subject to a four month hold period expiring November 28, 2017.

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

It is worth mentioning that, as of the date of this MD&A, the Company has closed nine non-brokered private placements. Management is permanently looking for new potential investors with long term vision to support its intention of continue advancing the Chita Valley Project and La Rosita.

Share Capital

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

Shares outstanding	128,052,254
Options outstanding	9,215,000
Warrants	35,042,875
Put and Call Option	790,000
TOTAL	173,100,129

Stock 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
\$0.10	465,000	-	0.85	October 3, 2018
\$0.10	910,000	-	1.45	May 12, 2019
\$0.10	1,010,000	-	1.98	November 20, 2019
\$0.10	2,680,000	-	3.05	December 14, 2020
\$0.10	2,075,000	2,075,000	4.05	December 15, 2021
	<u>7,140,000</u>	<u>2,075,000</u>	<u>3.11</u>	

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	1,789,545	0.06	December 21, 2017
\$0.35	10,000,000	0.39	April 20, 2018
\$0.15	15,192,000	0.76	September 2, 2018
\$0.15	1,561,330	0.99	November 21, 2018
\$0.15	6,500,000	1.66	July 27, 2019
	<u>35,042,875</u>	<u>0.80</u>	

Put and Call Option

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

COMMITMENTS AND CONTINGENCIES

Mineral Property Commitments

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

Staggered payments	Year	50% BV Trust (Contingency payments)		50% Minas de Pinto Trust	TOTAL
		Cash	Shares	Cash	
		US\$	US\$	US\$	US\$
	2017	25,000	-	-	25,000
	2018	60,000	-	70,000	130,000
	2019	85,000	-	70,000	155,000
	2020	125,000	-	-	125,000
	2021	120,000	-	-	120,000
Total staggered payments		415,000	-	140,000	555,000

Option payments	Year	50% Brechas Vacas		50% Minas de Pinto Trust	TOTAL
		Cash	Shares	Cash	Cash
		US\$	US\$	US\$	US\$
	2020	-	-	1,335,000	1,335,000
	2022	535,000	200,000	-	535,000
Total Option payments		535,000	200,000	1,335,000	1,870,000
Total payments		950,000	200,000	1,475,000	2,425,000

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

Further information is disclosed in Note 6 of the Financial Statements and in the PRINCIPAL BUSINESS OF THE COMPANY section in this MD&A.

Services agreement with the Company's President and CEO:

On March 11, 2016, the Company entered into a new services agreement with its President and CEO. Pursuant to the services agreement, an annual fee of \$140,000, consisting of salary and director's fees of MSA, was paid in monthly instalments by MSA. The services agreement continues in effect until December 31, 2016 and provides that the President and CEO may pursue outside business interests or directorships in other industries that do not interfere or conflict with his ability to carry out his duties as an officer and director of the Company and MSA. The services agreement contains a change of control provision, where "change of control" is defined as: (a) the acquisition by a person, group of persons or person acting jointly or in concert, or persons associated or affiliated within the meaning of the Securities Act (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert, of more than 50% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or (b) the election at any meeting of shareholders of a majority of directors not recommended by management. If, within six months following a "change of control", employment of the President and CEO

is terminated by the Company without cause, the President and CEO shall be entitled to a lump sum severance payment of \$280,000 and the immediate vesting of all unvested stock options.

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

On April 18, 2017, the Company and the Company's President and CEO entered into a new services agreement for an annual fee of \$140,000, consisting of salary and director's fees of MSA, which will be paid in monthly instalments by MSA. The new agreement expires December 31, 2017 and contains provisions similar to those included in the services agreement that expired December 31, 2016.

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

On February 9, 2016, the Company and the Company's Vice-President (Exploration) signed a new annual consulting agreement for a fixed monthly fee of \$7,000 until December 31, 2016. The agreement does not provide for any payments in the event of a change of control or termination.

On January, 2017, the Company and the Company's Vice-President (Exploration) signed a new consulting agreement for a fixed monthly fee of \$7,000 for the six month periods ending June 30, 2017. The agreement did not provide for any payments in the event of a change of control or termination.

On July 1, 2017, the Company and the Company's Vice-President (Exploration) signed a new consulting agreement for a fixed monthly fee of \$7,000 until June 30, 2018. The agreement provides that, in the event the Company does not renew the consulting agreement, all unvested stock options granted to the Vice-President (exploration) will vest immediately and will remain exercisable for the full exercise period as stated in the original stock option agreement.

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 nine months ended September 30, 2017, the Company incurred the following related party transactions:

i) Transactions

- a. A total of \$105,000 (2016 - \$105,000) was charged by Carlos Massa, the CEO of the Company.
- b. A total salary of \$57,879 (2016 - \$53,463) was charged by Ramiro Massa, an individual related to the Company's CEO, for financial and operational management services in his role as Controller of the Company's subsidiary MSA.
- c. A total of \$28,631 (2016 - \$28,675) of accounting and regulatory compliance fees and \$15,750 (2016 - \$15,750) of CFO fees were charged by Forbes Andersen LLP, an accounting firm in which Paul Andersen, the Company's CFO, is a partner.
- d. A total of \$68,000 (2016 - \$63,000) of professional fees and \$12,555 (2016 - \$11,517) of exploration expenses were charged by Howard Coates, the Company's Vice-President (Exploration).
- e. The amount of stock-based compensation expense for the nine months ended September 30, 2017 related to the continued vesting of stock options issued to key members of management was \$107,881 (2016 - \$72,263).

ii) Period-end Balances

- a. As at September 30, 2017, accounts payable and accrued liabilities included \$5,556 payable to the CEO of the Company.

- b. As at September 30, 2017, accounts payable and accrued liabilities included \$9,643 payable to Forbes Andersen LLP, an accounting firm in which Paul Andersen, the Company's CFO, is a partner.
- c. As at September 30, 2017, accounts payable and accrued liabilities included \$14,606 payable to Howard Coates, the Company's Vice-President (Exploration).
- d. As at September 30, 2017, accounts payable and accrued liabilities included \$62,700 of accrued director's fees payable to members of the Company's Board of Directors.

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

SUBSEQUENT EVENTS

Subsequent to the nine months ended September 30, 2017, the Company made a payment of US\$35,000 (\$44,737) in connection with the acquisition of its 50% beneficial interest in the Minas de Pinto Trust.

OFF-BALANCE SHEET TRANSACTIONS

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

BASIS OF PRESENTATION

The Company's 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 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 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.

Environmental Risk and Regulation

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

Licenses and Permits

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

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

Exploration and Exploitation Business Risks

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

Mining Properties

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

Currency Risk

The Company's primary operations are located in Argentina. The Company raises funds in Canadian dollars and pays most of its Argentinean costs in United States Dollars or Argentinean Pesos, and is therefore subject to foreign exchange risk on this payment stream. As the proceeds from financings are often immediately converted to Argentinean Pesos, these cash reserves are subject to foreign exchange risk.

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 dated April 27, 2011 which is available under the Company's profile on www.sedar.com

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 9, Financial instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39, Financial Instruments: recognition and measurement ("IAS 39"). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard and amendments on its Consolidated Financial Statements.

IFRS 15, Revenue from Contracts and Customers ("IFRS 15") was issued by the IASB in May 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments.

IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its Consolidated Financial Statements.

IFRS 16, Leases (“IFRS 16”) was issued by the IASB in January 2016, and will replace IAS 17 Leases. IFRS 16 specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases except for short-term leases and leases with low value assets. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 has also been adopted. A lessee will apply IFRS 16 to its leases either retrospectively to each prior reporting period presented; or retrospectively with the cumulative effect of initially applying IFRS 16 being recognized at the date of initial application. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

RECENT ARGENTINE REGULATIONS AND IMPORTANT DEVELOPMENTS

National Framework for Doing Business:

On December 10, 2015, Mr. Mauricio Macri assumed his role as President of Argentina. During the first months of his government, some important measures have been put in force as follows:

(i) The release of the foreign exchange market that, in the past, was subject to many restrictions such as the import of goods and services and dividend payments amongst the mains.

(ii) An Argentine Peso devaluation that improves the competitiveness of the country, a measure largely demanded by the market.

(iii) The elimination of the “export taxes” particularly for the mining industry that was levied at a rate of 10% on concentrates exports and 5 % for the bullion doré.

(iv) The settlement to the litigators (holdouts) that allowed the country to exit the “Selective Default” A relevant measure in the way of the country to return to the Global Capital Market. The aftermath was the reduction of 700 basis points on the yield of US\$ priced Argentine Bonds which is now approximately 7% annually.

(v) The challenge now is to focus on reducing the high rate on inflation unleashed as a consequence of the macrodevaluation. Government is targeting a reduced inflation rate for the second semester pointing to an annual rate in the about of 17%.

The mid-term election of next October confirmed the leadership of the President Macri and gives strong support to his current guidance of the country that basically tends to create competitiveness among Latinoamerican peers and better insertion of the country worldwide.

In this regard a significant package of reforms involving tax, labor and administrative matters was raised to the Congress for approval. The program proposes progressive changes pointing to reduce fiscal deficit and inflation.

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*.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements or fraud. There have not been any changes in the Company's disclosure controls and procedures and the internal control over financial reporting that occurred during the year ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of controls and procedures:

The Company's management believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

ADDITIONAL INFORMATION

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