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

For the Three Months Ended March 31, 2020

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three Months Ended March 31, 2020

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 months ended March 31, 2020.

This MD&A has been prepared as at May 29, 2020 unless otherwise indicated.

This MD&A should be read in conjunction with the Company's Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 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 99.63% 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 March 31, 2020, MAI held 144,951,699 of the 145,494,299 outstanding common shares of MSA, representing an ownership interest of 99.63%.

As of the date of this MD&A, the members of the Company's Board of Directors are Alberto Francisco Orcoyen (President and Chief Executive Officer), Carlos Alberto Adamo (Chairman), Agustin Dranovsky, Hugo Dragonetti (Jr), Pablo Taussig, Paul F. Andersen, and Scott F. White. 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. Dranovsky form the compensation committee.

On January 24, 2020, the following changes to directors, officers, and management occurred:

- Paul Andersen resigned as Chief Financial Officer and Corporate Secretary, and was appointed as a director;
- Michael Johnston was appointed as the Chief Financial Officer;
- Ramiro Massa was appointed as the Corporate Secretary;
- Howard Coates resigned as a director and Vice President of Exploration; and
- Mario Alfaro was appointed as the Vice President of Exploration.

The Board of Directors is made up of a majority of independent directors in accordance with the guidance of the Exchange policies. The independent directors are Scott White, Carlos Adamo, Hugo Dragonetti (Jr), Pablo Taussig and Agustin Dranovsky.

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 trust that owns 100% of the Brechas Vacas property and beneficial owner of a 65% interest in the trust that owns 100% of the Minas de Pinto property. The remaining beneficial interests in each of these properties is subject to exclusive and irrevocable purchase option agreement granted in favour of MSA by the owner of each 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.

The Company also owns 100% of the mining rights at La Rosita (5,986 ha) which has progressed to a state that is ready for drilling. 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 II mine and Alfa III mining concession, however, the majority of the exploration activity carried out by the Company has been on targets located on the Alfa II mine (1,992 ha).

On November 1, 2019, the Company signed an Earn-in Agreement with South32 Aluminum (Holdings) Pty Ltd ("South32") to explore the Chita Valley Project. Pursuant to the agreement, South32 has the option to earn up to a 70% interest in the Chita Valley Project upon contribution of exploration funds and a Pre-Feasibility Study ("PFS"). To maintain the option in good standing, South32 must contribute minimum exploration funding of $14 million over a 4-year option period with minimum exploration expenditures of $ 3.5 million in Year 1. Having contributed the $14 million, South32 will earn a 50.1% interest in the Chita Valley Project and can increase this to 70% by funding and completing a PFS.

BUSINESS DEVELOPMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2020

Financing

Since June 2012, management has been able to raise more than $12.5 million through fourteen non-brokered private placements from investors that share the Company's long-term vision.

On March 13, 2019, the Company issued 5,278,000 Units for gross proceeds of $527,800 pursuant to a non-brokered private placement. Each unit was comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at $0.15 per share until March 13, 2021.

On December 10, 2019, the Company issued 4,251,000 Units for gross proceeds of $425,100 pursuant to a non-brokered private placement. Each unit was comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at $0.15 per share until December 10, 2021. The securities issued in the non-brokered private placement were subject to a four month hold period that expired on April 11, 2020.

Projects

The mineral potential of the Chita Valley Project, as a whole, goes far beyond the known Indicated and 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.

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 m ASL, field conditions are benign on a year-round basis and no active alpine glaciers are possible below approximately 4,100 m ASL.

The metallurgical column tests prepared by BioSigma (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 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 Environmental Impact Reports ("EIR") for Chita property, Brechas Vacas property and Minas de Pinto property, have been filed for renewal on October 1, 2019, November 11, 2019, and November 11, 2019, respectively.

EARN-IN AGREEMENT WITH SOUTH32

On November 1, 2019, the Company, MAI and MSA, signed an earn-in agreement (the "Earn-in Agreement") with South32, a wholly-owned subsidiary of South32 Limited, to explore the Chita Valley Project (the "Project"). Minsud and South32 are together referred to as the "parties".

South32 Limited is a globally diversified mining and metals company producing bauxite, alumina, aluminum, energy and metallurgical coal, manganese, nickel, silver, lead and zinc at its operations in Australia, Southern Africa and South America.

The Company has received TSX Venture Exchange final acceptance and the requisite shareholder approval to complete the transactions contemplated under the Earn-in Agreement.

Earn-in Agreement

The Earn-in Agreement grants to South32 the right to acquire up to a 50.1% direct interest in MSA at the end of the earn-in period.

Under the Earn-in Agreement, South32 will provide up to C$14 million in capital contributions to MSA over a period of 4 years, as follows: (i) not less than C$3.5 million by December 31, 2020; (ii) not less than an aggregate of C$7 million by December 31, 2021; (iii) not less than an aggregate of C$10.5 million by December 31, 2022; and (iv) not less than an aggregate of C$14 million by December 31, 2023. South32 has the right to withdraw at the end of each year. Once South32 has complied with its funding obligations, South32 may exercise its right to acquire a 50.1% direct interest in MSA by electing to subscribe for MSA shares equal to 10% of MSA's shares, in consideration for its funding, and acquire the remaining 40.1% of MSA's shares from MAI for a consideration of C$14 million.

During the three months ended March 31, 2020, MSA received payments of $974,481 related to the first tranche of payments.

Shareholders' Agreement

Upon the exercise of South32's right to acquire a 50.1% direct interest in MSA, Minsud and South32 will sign a Shareholders' Agreement to govern the management and operation of MSA and, if warranted, further exploration, development and exploitation of the Project. The Shareholders' Agreement provides for the following phases.

Prefeasibility Study Election – "PFS funding"

South32 may undertake to complete a prefeasibility study ("PFS"), in which case it shall be entitled to subscribe for 50.1% of MSA's shares and shall have the right to acquire an additional 19.9% in MSA as described below exercisable on completion of the PFS.

If South32 has elected to fund a PFS at the end of the earn-in period, then, on or before the fifth anniversary of that election, South32 must deliver a PFS that complies with National Instrument 43-101 and CIM Definition Standards on Mineral Resources and Reserves by funding a minimum amount of C$55 million less any amount contributed during the earn-in period. Upon delivering the PFS, South32 may either elect to (i) pay to MAI C$20 million to acquire 19.9% of MSA's shares or (ii) fund a bankable feasibility study ("BFS"), in which case it shall be entitled to subscribe for 19.9% of MSA's shares (such that in either case South32 shall, following the relevant election, own 70% of MSA's shares and Minsud shall own 30% of such shares).

If South32 opts neither to fund the BFS nor to purchase MSA's shares from MAI, its ownership in MSA will be reduced to 49.0% and MAI's interest shall be 51%.

Bankable Feasibility Study Election – "BFS funding"

If South32 has elected to fund a BFS, as long as such BFS is delivered on or before the third anniversary of that election and with effect from the BFS's date of approval by the Board of Director of MSA, South32 will have the sole, exclusive and irrevocable right to subscribe for, be issued and to acquire an additional 10% of the shares of MSA such that, in aggregate, it will hold 80% of the shares. If the BFS is delivered by South32 after the date which is the fourth anniversary but on or before the fifth anniversary of such election, the additional MSA shares to be issued and subscribed or acquired by South32 will be reduced to 5%. In this case, the aggregated participation will be 75%. If the BFS is delivered by South32 after the date which is the fifth anniversary but on or before the sixth anniversary of such election, South32's interest in MSA will remain at 70%. South32 must deliver a BFS that complies with National Instrument 43-101 and the CIM Definition Standards on Mineral Resources and Reserves.

Purchase Election

If South32 has elected to purchase MSA's shares from MAI at the end of the earn-in period, each party shall be obliged to contribute to approved annual programs and budgets in proportion to its participating interest. If a party does not elect to contribute, it will be diluted on a straight-line basis. In the case that Minsud is reduced to less than ten percent (10%), it will be entitled to a two percent (2%) net smelter returns royalty on the Project in exchange for its remaining interest in MSA, pursuant to the terms of a royalty agreement.

In the five years following the purchase by South32 from MAI of MSA shares (pursuant to the elections referred to above), MAI will have a one-time right, exercisable by notice to South32, to elect not to contribute to the approved annual program and budget and to suspend dilution of its equity interest in MSA for the duration of such program while it seeks a third party to acquire its interest in MSA (the "sale period"). During the sale period, South32 will contribute 100% to any approved program and budget but, should Minsud fail to find a third-party buyer for its interest, Minsud will have the right to claw back its participation as at the beginning of the sale period by paying 1.5 times the amount of the funding contributed by South32 during that period. Dilution will otherwise be applied retrospectively. Any shareholder holding at least 20% participation has a right of first refusal to match any third-party proposal.

EXPLORATION DEVELOPMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2020

Chita Valley Project

Geological Features

The Chita, Valley project is situated near the northern limit of the present day amagmatic Chilean-Pampean flat slab segment of the Andean Cordillera (~28°–33°S), which is characterized by low-angle subduction of the Nazca plate beneath South America. The Chita valley project is the eastern part of an integral part of a N-trending, late Oligocene to Miocene magmatic arc, containing numerous porphyry and epithermal deposits and prospects, which spans the northern transition zone between the Chilean-Pampean flat slab segment and the central Andean steep slab, including the Chilean Maricunga belt to the north. In the Maricunga and neighbouring El Indio belts, volcanic rocks are widespread whereas between them, where the Chita project is situated, the volcanic pile is rather less extensive (lopolith-dome) possibly because of erosional removal during kilometer scale Miocene uplift to expose the late Paleozoic to Triassic basement, conformed at place by the Aguas Negras Paleozoic Fm and the lower Permian granite intrusiv.

To date the depth potential of the Chita Porphyry has not been tested. Geological characteristics strongly suggest that the upper marginal parts of a typical porphyry copper system are exposed at Chita South and North (“Chita Sur and Chita Norte”) with the two separated by the broad Chita Valley. Evidence of this, includes the presence of pyrite-rich sericitic and local intermediate argillic alteration as seen in field observations and drilled core sections. A downward transition to K-silicate alteration is indicated at the southern margin the Chita Valley. In addition, magnetic data indicates that the overburden covered valley area may be underlain by magnetite bearing K-Silicate alteration and by inference possible chalcopyrite-bornite mineralization. The outer pyrite or argillic zonation remnants are preserved at the extreme north and south of Chita, where the porphyry contact is evident with the overlying Aguas Negras sediments and to the east, with a lower Permian granitoids, the Tocota Pluton and the Chita Pluton, parts of regional Chile-Argentina Colanguil Batholith. With these geological considerations the Chita North and Chita South correspond to only one porphyry system long as 2.3 km north south and 1.6 km east-west. In addition to these considerations, during porphyry emplacement through the Aguas Negras Fm (quarzites), a non reactive rock (very low permeability), permitted a recurrent magmatic fluid pulse forming late fissure-filling veins distinguished by a structural control character. These veins structurally controlled with anomalous Au and Ag values have been emplaced at the top of the Chita South and North and are representative (lithocap) of porphyry continuity below the Chita Valley to the west, below the quartzites lithocap. Evidences of epithermal veins at the bottom of lithocap (in this case quarzites) are observed in many porphyry systems of the Chilean Porphyry Belt.

At Chinchillones, the area named Breccias Ridge corresponds to a sequence of mainly quarzites of Aguas Negras Fm outcropping north of Chinchillones Phreatic Breccia. The Breccia Ridge zone is intruded by off shoots of a QEP porphyry (mapping as Quartz diorite porphyry but coincident petrographycally with a dacite porphyry) with cross cutting of B and D quartz veins, obviously linked with a porphyry system concealed below the Chita Valley as anomalous geophysical data surveys show as well. The structural system affecting the Breccias Ridge, loci of anomalous Au- Ag-Cu Pb- Zn intermediate Sulfide veins, are consistent with the same structural system we observed in the lithocap at the Chita North and Chita South and where appears also to be anomalous in Au-Cu-Pb-Ag-Zn mineralization.

Until December 2019, the Company's exploration work has been focused on the southern Chita Porphyry ("PSU") sector because part of the porphyry system outcrop (Chita South) and it was a relatively easy and less expensive for the Company to test. The key factors for this strategy were:

- Known Cu-Mo-Au-Ag mineralization from surface mapping/sampling and a few scattered historical drill holes.
- The presence surface oxidation and supergene enrichment of Cu presented a relatively inexpensive to explore shallow and develop conceptual target.
- Current Drilling database for resource estimation consists of 74 core holes and 1 RC hole totaling 11,725.7 m and 150 m, respectively.
- Initial Resource estimate published in April 2015 with the most recent test Resource estimate published in February 2018.
- Mineral processing test results including bioleaching ("SET") diagnostic tests and 60 cm bioleaching column tests indicate good Cu recoveries (~80%).

<u>Work Program during fiscal 2019:</u>

- Magnetic intensity measurement on cores at intervals every 20 m from drill PSU11-01 to PSU14-14 in the Chita South area.
- Geological section`s at 2500 scale through geophysical lines at Chinchillones target: L46130, L46530, L20800, L20300.
- PDIP Quantec traverses was carried out with 200 m receiver dipole separation down to a minimum of 10n-levels at Brechas Vacas property. The purpose of these proposed IP traverses is to provide broad scale resolution of highly significant IP response features extending down to between 350 m to 600 m below surface. Resource Potentials Pty Ltd (ResPot) provided geophysical interpretation and resistivity and chargeability inversion model cross section in 3D images.
- Spectometry studies on samples from Chita, Chinchillones and Pórfido Norte DDH. Eight profiles were completed with a total of 890 measured samples.
- A drone based topography/imagery survey was completed over the Brechas Vacas and Minas de Pinto properties. Photomosaic RGB othorectified and georeferienced to 12 cm / pix and DEM 28cm /pix.
- Exploratory DDH programme at Chinchillones, based on geophysical analysis. Four drilling targets have been recommended.

<u>Work Program during first quarter ("Q1") of fiscal 2020:</u>

- The Chita project is conformed, based on the current state of geological knowledge, into two sectors, Chita itself (South Porphyry or PSU and North Porphyry or PNO) and Chinchillones, where geological information is more conceptual, since there the possible presence of a porphyry Cu-Au-Mo system would be concealed below a lithocap conformed by Paleozoic altered rock and the exploration works would be through indirect methods, geophysics and deep drilling.
- On February 2020 the Company commenced a drilling program of 6 deep holes DDH in the western sector of the Chinchillones area. Most of the targets were based on the results of the geophysics carried out during December 2019, where a porphyry and epithermal anomalies were identified. The objective was to determine the possible presence, as the geophysical and conceptual models indicated, of a porphyry-type system in the northern sector of Chinchillones (Breccias Ridge IS epithermal West-East structural system) and below the Chita Valley.
- The drilling programe was finalized on May 15th completing a total of 3,559 mts distributed in 6 DDH at a depth´s between 400 and 800m.
- The Company has not yet received all the assays from the Lab and will announce the results once technical analysis is completed.

La Rosita Project

No fieldwork has been performed on the three months period ended March 31, 2020.

Geological features:

The Rosita Project, in which the Company has a 100% ownership, is situated within a large regional complex known as the Deseado Massif, Patagonia Argentina, which consists mainly of Middle Jurassic-age volcanic rocks and younger Cretaceous and Tertiary sedimentary and volcanic rocks, including windows of older basement. These units host significant precious metal deposits in the region. The mineralization is of the type and character classified as Epithermal Low Sulfidation as evidenced by the presence of veins containing classic variable quartz-fill textures that include chalcedonic, saccharoidal, colloform banding and brecciated vein fragments. The Epithermal precious metals vein systems in the Deseado Massif mining district are located along distinctive WNW and NNW structural trends proximal to rhyolite domes, that geological parameters are also encountered at Rosita project. The geological information completed by the Company offer the best short –term opportunity for drilling. The Company is looking for a joint venture partner to continue the exploration on this project

The Company has conducted three early stage exploration programs between 2011 and the present; the first during 2011-2012, the second in 2016 and the third in 2017. No work was conducted in 2018 and 2019.

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.

Systematic multidisciplinary exploration is recommended for the remainder of the 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, 2019 ($)	As at and for the Year Ended December 31, 2018 ($) (Restated)	As at and for the Year Ended December 31, 2017 ($)
Other Income	-	-	-
Net loss for the year	(537,238)	(397,622)	(545,932)
Comprehensive income (loss) for the year	(1,433,925)	3,974,836	(2,152,577)
Non-current assets	12,551,033	12,563,829	7,801,802
Current Assets	782,167	432,292	614,531
Non-current liabilities	921,204	Nil	87,682
Current Liabilities	194,198	269,798	403,785
Working Capital	587,969	162,494	210,746
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	18,113,596	17,456,648	16,896,697
Shareholders' Equity	12,217,798	12,726,323	7,924,866

Project expenditures for the three months ended March 31, 2020 are as follows:

Three months ended March 31, 2020	**Chita** **($)**	**Brechas Vacas** **($)**	**Minas de Pinto** **($)**	**La Rosita** **($)**	**San Antonio** **($)**	**Other** **($)**	**Total** **($)**
Acquisition costs (a)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Drilling	670	579,754	NIL	NIL	NIL	NIL	580,424
Road	3,363	54,717	3,207	NIL	NIL	NIL	61,287
Assays	878	36,385	NIL	NIL	NIL	NIL	37,263
Geophysics	1,712	15,409	NIL	NIL	NIL	NIL	17,121
Labour and Technical Fees	25,015	94,854	6,091	NIL	NIL	NIL	125,960
Vehicles and Equipment	1,144	14,267	NIL	NIL	NIL	NIL	15,411
Travel and Lodging	2,290	8,260	NIL	NIL	NIL	NIL	10,550
Project Management	5,921	39,170	2,529	826	NIL	NIL	48,446
VAT Paid	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Current Expenditures	**40,993**	**842,816**	**11,827**	**826**	**NIL**	**NIL**	**896,462**
Currency Translation Adjustment	93,292	42,617	24,434	10,162	NIL	62	170,567
Effects of Hyperinflation	515,289	226,206	134,942	56,170	NIL	399	933,006
Write-offs	NIL	NIL	NIL	NIL	NIL	(4,788)	(4,788)
Balance – beginning of year	**7,230,810**	**2,697,438**	**1,832,991**	**758,203**	**NIL**	**6,797**	**12,526,239**
Balance – end of period	**7,880,384**	**3,809,077**	**2,004,194**	**825,361**	**NIL**	**2,470**	**14,521,486**

(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 March 31, 2019 are as follows:

Three months ended March 31, 2019 (restated)	**Chita ($)**	**Brechas Vacas ($)**	**Minas de Pinto ($)**	**La Rosita ($)**	**San Antonio ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	NIL	NIL	13,478	NIL	NIL	NIL	13,478
Drilling	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Road	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assays	3,204	NIL	NIL	NIL	NIL	NIL	3,204
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Labour and Technical Fees	46,819	307	10,246	352	NIL	NIL	57,724
Vehicles and Equipment	6,993	NIL	777	NIL	NIL	NIL	7,770
Travel and Lodging	4,678	NIL	227	NIL	NIL	NIL	4,905
Project Management	32,259	6	13,700	1,145	1,505	NIL	48,615
VAT Net Paid (Recovered)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Current Expenditures	**93,953**	**313**	**38,428**	**1,497**	**1,505**	NIL	**135,696**
Currency Translation Adjustment	(993,435)	(354,826)	(257,304)	(112,530)	NIL	(1,086)	(1,719,181)
Effects of Hyperinflation	675,234	241,904	174,589	76,682	NIL	740	1,169,149
Write-offs	NIL	NIL	NIL	NIL	(1,505)	NIL	(1,505)
Balance – beginning of period	**7,358,980**	**2,521,527**	**1,843,766**	**811,277**	**NIL**	**7,371**	**12,542,921**
Balance – end of period	**7,134,732**	**2,408,918**	**1,799,479**	**776,926**	**NIL**	**7,025**	**12,127,080**

(a) See Chita Valley Project section "Mining rights" discussed previously and Note 7 to the consolidated financial statements.

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

During the three months ended March 31, 2020, the Company spent $895,636 on the continued exploration of the Chita Valley Project, an increase of $776,420 when compared to expenditures of $119,216 during the three months ended March 31, 2019. As explained previously, on November 1, 2019, the Company signed an Earn-In Agreement with South32 to explore the Chita Valley Project. Under the agreement, South32 has the option to earn up to a 70% interest in the Chita Valley Project upon contribution of exploration funds and a PFS. To maintain the option in good standing South32 must contribute minimum exploration funding of $14 million over a 4-year option period with minimum exploration expenditures of $3.5 million in Year 1. Having contributed the $14 million South32 will earn a 50.1% interest in the Chita Valley Project and can increase this to 70% by funding and completing a PFS.

As a consequence of this agreement, the Company has prepared a "Year 1 Approved Budget and Program" that will cover 14 months, commencing on November 1, 2019 and ending on December 31, 2020. As soon as the Earn-In Agreement was signed, the Company initated the execution of the approved program, which includes the following:

• Geophysics: Quantec Geoscience S.A. was hired in November 2019 to complete an IDPC (Porphyry Copper Intrusive) geophysical survey including 13 lines (dipoles 200 mts separation to 10n levels for up to 600 mts est. depth range) for approximately of 60 kms. Geophysical interpretation has been assigned to Resource Potencials, from Australia. The first phase of the survey was completed during December 2019 at the Brechas Vacas property. This phase covered approximately 10kms and completed most of the proposed lines located in Brechas Vacas property. The remaining kilometers of the IDPC survey are currently in progress.
• Topography: In December 2019, a topographic UAV survey was completed at the Brechas Vacas property (26.5 sq.kms) and Minas de Pinto property (23.7 sq.kms), in order to obtain an orthomosaic georeferenced map (12 cm. per pixel resolution) and a topographic model (28 cm. per pixel resolution).
• Terraspec measurements: A consultant geologist was hired during December 2019 to perform spectral measurements on selected intervals of historic drillcore with a handheld TerraSpec device. About 800 samples have been selected from different drillholes.
• Personnel: Mr. Diego Gordillo was hired as Exploration Manager in November 2019, Mr. Diego Bauret was hired as Operations Manager in January 2020 and Mr Mario Alfaro was appointed as Vice-president (exploration) in January 2020.
• Infrastructure: a VHF Radio antenna repeater was purchased and installed during December 2019 at the Minas de Pinto property to enhance communication at Chita Valley Project.
• Health and Safety: The Company hired a health and safety consultant to prepare a Safety and Emergency Procedure (SEP) manual which was implemented during the first quarter of fiscal 2020. As consequence of COVID-19, the Company also implemented a biosafety protocol since April 2020.
• Drilling program: In December 2019, a drilling campaign at Brechas Vacas was planned and a water permit for drilling was requested and paid. The Company signed a drilling agreement later in January 2020 and initiated DDH drilling at the Brechas Vacas property by the end of January 2020. The drilling program was suspended on March 19 due to quarantine lockdown and then resumed from April 20th to May 15th. A total of 3,559 mts were drilled. Some geochemical results are still pending from the lab.
• Baseline studies: In December 2019, the Company hired a consultant to perform the quarterly water samplings at Chita Valley Project on 5 different points. The samples are taken on a quarterly basis to determine the stream flow volume, characteristics of the water and laboratory assays.
• Legal measurement (Mensura): In December 2019, the Company hired a surveyor engineer to complete, in the field, a legal survey of the boundaries of Chita I, Chita II and Chita III properties. The survey and monumentation were completed during January, and the report was filed at the Secretary of Mines on March 6, 2020.
• Mining canons for the first semester of fiscal 2020 were fully paid.
• On May 6, 2020, MSA entered into a Transfer Agreement, pursuant to which MSA acquired an additional 15% interest in the Minas de Pinto Trust in exchange for aggregate cash payments of US$400,000, payable in eight semi-annual payments of US$50,000 starting on May 7, 2020 until November 7, 2023. On May 7, 2020, the Company paid the first instalment of US$50,000 ($70,615). Furthermore, the parties entered into a second addendum to the Option, which would allow MSA to purchase the remaining 35% interest in the Minas de Pinto Trust by paying US$935,000 on or before April 7, 2024.

La Rosita Property

During the three months ended March 31, 2020 the Company spent $826 on its La Rosita property, a decrease of $671 when compared to expenditures of $1,497 during the three months ended March 31, 2019. There was no significant work performed during the three months periods ended March 31, 2020 and 2019.

San Antonio Property

The Company did not incur expenses in San Antonio property as it has decided to abandon the property and all expenses have been previously written off.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three months ended March 31, 2020, the Company incurred total expenses of $120,010 representing an increase of $5,113 when compared to expenses of $114,897 for the three months ended March 31, 2019. The overall increase is mostlty related to an increase in legal expenses due to the recent changes in the Board of Directors and management.

Cash expenses incurred by the Company of $90,945 for the three months ended March 31, 2020, represent increases of $6,281 when compared to cash expenses of $84,664 for the three months ended March 31, 2019.

Professional and regulatory fees include management salaries and fees paid for the services of the Controller and CFO, as well as general accounting, audit, legal and regulatory fees. The Company incurred professional and regulatory fees of $77,258. These expenses represent an increase of $4,756 when compared with expenses of $72,502 incurred during the three months ended March 31, 2019. As mentioned before, this increase relates to an increase in legal expenses.

The Company incurred marketing and communications expenses of $1,223 during the three months ended March 31, 2020, which represents an increase of $175 when compared to expenses of $1,048 incurred during the three months ended March 31, 2019.

The Company incurred general and administrative expenses of $8,814 during the three months ended March 31, 2020, which represents an increase of $1,350 when compared to expenses of $7,464 incurred during the three months ended March 31, 2019.

The Company also incurred the following non-cash expenses that contributed to the net loss for the three months ended March 31, 2020 and 2019:

- Write-offs of exploration expenses during the three months ended March 31, 2020 of $4,788 (2019 - $1,505).

- As a result of the adoption of IAS 29, the Company incurred losses of $24,480 during the three months ended March 31, 2020 (2019 - $29,053) as a result of the application of inflation factors to the net monetary assets (asset less liabilities) of MSA during the years. Argentina has been designated a hyper-inflationary economy since July 1, 2018.

Finally, the significant currency translation adjustments that resulted in accounting income of $1,019,799 during the three months ended March 31, 2020 were 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. Currency translation adjustments that resulted in accounting losses of $532,960 were incurred during the three months ended March 31, 2019.

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. According to the Central Bank of Argentina, the inflation rate for year 2019 was 54% (inflation for year 2018 was 48%). 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.

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	**2020**	**2019**				**2018**		
For the quarters ended	**Mar**	**Dec**	**Sep**	**Jun**	**Mar**	**Dec**	**Sep**	**Jun**
	$							
Net Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) for the period	(120,010)	(183,250)	(106,376)	(132,715)	(114,897)	(43,357)	(147,951)	(97,101)
Comprehensive Income (Loss) for the period	899,789	420,611	(2,177,189)	990,763	(668,110)	1,918,837	4,515,765	(2,034,066)
Income (Loss) per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Factors affecting quarterly results

Fluctuations in quarterly results are primarily caused by the continuation of the effects of Hyperinflation during fiscal 2020, and fluctuations of the Argentine Peso against the Canadian Dollar as usually calculated as Currency Translation Adjustment (CTA).

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $459,937 as at March 31, 2020, compared to working capital of $587,969 as at December 31, 2019. As at March 31, 2020 the Company held cash and cash equivalents of $1,149,830 versus $712,925 as at December 31, 2019.

On March 13, 2019, the Company issued 5,278,000 units (pursuant to a non-brokered private placement) for gross proceeds of $527,800 of which $136,700 was allocated to warrants.

On December 10, 2019, the Company issued 4,251,000 units (pursuant to a non-brokered private placement) for gross proceeds of $425,100 of which $118,603 was allocated to warrants.

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. As of the date of this MD&A, the Company has closed fourteen non-brokered private placements and recently signed an Earn-in Agreement with South32 to explore the Chita Valley Project. Management is also looking for new potential investors with long term vision to support its intention of continue exploring La Rosita project.

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

Share Capital

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

Shares outstanding	156,210,694
Options outstanding	6,380,000
Warrants	17,759,000
Put and Call Option	790,000
TOTAL	**181,139,694**

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	2,380,000	-	0.55	December 14, 2020
$0.10	4,000,000	-	1.55	December 15, 2021
	6,380,000	-	1.17	

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
$0.15	8,230,000	0.04	June 13, 2020
$0.15	5,278,000	0.79	March 13, 2021
$0.15	4,251,000	1.53	December 10, 2021
	17,759,000	0.62	

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)		65% Minas de Pinto Trust	TOTAL
		Cash	Shares	Cash	Cash
		US$	US$	US$	US$
	2020	125,000	-	50,000	175,000
	2021	120,000	-	100,000	220,000
	2022	-	-	100,000	100,000
	2023	-	-	100,000	100,000
Total staggered payments		**245,000**	**-**	**350,000**	**595,000**

Option payments	Year	50% Brechas Vacas		35% Minas de Pinto Trust	TOTAL
		Cash	Shares	Cash	Cash
		US$	US$	US$	US$
	2022	535,000	200,000	-	535,000
	2024	-	-	935,000	935,000
Total Option payments		**535,000**	**200,000**	**935,000**	**1,470,000**
Total payments		**780,000**	**200,000**	**1,285,000**	**2,065,000**

Further information is disclosed in Note 7 of the Financial Statements and in the PRINCIPAL BUSINESS OF THE COMPANY section in this MD&A.

Services agreement with the Company's Controller:

During the year ended December 31, 2019, the Company entered into a services agreement with a director and Controller of MSA for an aggregate monthly fee of US$6,500 to be paid by MSA. The services agreement is to continue in effect as long as the individual remains a director of MSA. The individual can terminate the agreement without consequence by giving 30 days advance notice to the Company and MSA. Should the Company terminate the agreement without cause, the individual would be entitled to a payment of US$78,000.

Services agreement with the Company's new Vice-President (Exploration)

During the period ended March 31, 2020, the Company entered into a services agreement with a consultant for the position of Vice-President (Exploration) for a monthly fee of US$2,500. The services agreement has a term of one year expiring January 24, 2021. Either party can terminate the agreement without consequence by giving 60 days advance notice to the Company.

RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2020, the Company incurred the following related party transactions:

i) Transactions

a. A total of $Nil (2019 - $35,000) was charged by Carlos Massa, the former CEO of the Company.

b. A total salary of $27,441 (2019 - $15,519) was charged by Ramiro Massa, an individual related to the Company's former CEO, for financial and operational management services in his role as Controller of MSA.

c. A total of $9,500 (2019 - $9,500) of accounting and regulatory compliance fees and $5,250 (2019 - $5,250) of CFO were charged by Forbes Andersen LLP, an accounting firm in which Mike Johnston, the Company's CFO, is a partner.

d. A total of $3,500 (2019 - $21,000) of professional fees and $163 (2019 - $231) of mineral property exploration expenses were charged by Howard Coates, the Company's former Vice-President (Exploration). These amounts have been capitalized to mineral properties.

e. A total of $6,924 (2019 - $Nil) of professional fees and $1,018 (2019 - $Nil) of mineral property exploration expenses were charged by Mario Alfaro Cortes, the Company's current Vice-President (Exploration). These amounts have been capitalized to mineral properties.

ii) Period-end Balances

a. As at March 31, 2020, accounts payable and accrued liabilities included $3,917 payable to Ramiro Massa, the former Controller of MSA.

b. As at March 31, 2020, accounts payable and accrued liabilities included $17,413 payable to Forbes Andersen LLP, an accounting firm in which Mike Johnston, the Company's CFO, is a partner.

c. As at March 31, 2020, accounts payable and accrued liabilities included $Nil payable to Howard Coates, the Company's former Vice-President (Exploration).

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

SUBSEQUENT EVENT

A subsequent event has been disclosed in SELECTED ANNUAL INFORMATION, under the Chita Valley Project.

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.

The 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, the 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 the 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 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.

Dependence on Single Project

The Chita Valley Project is the Company's sole project and therefore, any adverse development with respect to the Chita Valley Project will have a material adverse effect on the Company.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Tax

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates

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

HYPERINFLATION

During the year ended December 31, 2018, the economic environment in Argentina experienced the acceleration of multiple local inflation indices, a three-year cumulative inflation rate of the local Argentine wholesale price index exceeding 100% in May 2018, and the significant devaluation of the Argentine Peso. As such, Argentina has been designated a hyper-inflationary economy as of July 1, 2018. The functional currency of MSA is the Argentine Peso and the provisions of IAS 29 have been adopted and applied to the Financial Statements prospectively, as of July 1, 2018. The Company also followed the interpretive guidance within IFRIC 7 as it pertains to the first time adoption of IAS 29. The Company has prepared the Financial Statements on the historical cost approach within IAS 29.

IAS 29, Financial Reporting in Hyper-Inflationary Economies, ("IFRS 29") applies to the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy. The designation of an economy as hyperinflationary involves the assessment of several factors and requires the Company to make certain estimates and judgments, such as the assessment of historic inflation rates and anticipation of future trends. Changes in such estimates may significantly impact the carrying value of the Company's non-monetary assets or liabilities, and results of operations that are subject to hyperinflationary adjustments, and the related gains and losses with the consolidated statements of income (loss) and comprehensive income (loss).

To measure the impact of inflation on its financial position and results, the Company has elected to use the Wholesale Price Index (Indice de Precios Mayoristas or "IPIM") for periods up to December 31, 2016, and the Retail Price Index (Indice de Precios al Consumidor or "IPC") thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE").

As a result of the change in the IPC during the period, the Company recognized a net expense of $ 24,480, to adjust transactions recorded during the period into a measuring unit current as of March 31, 2020. The level of the IPC at December 31, 2019 was 283.44 which represented an increase of 54% over the IPC at December 31, 2018.

The application of hyperinflation accounting required restatement of the Argentine subsidiary's nonmonetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power which reflects a price index current at the end of the reporting period before being included in the Financial Statements. The resulting financial information is considered to be more meaningful, relevant and representative of a measuring unit current as of the reporting date. To measure the impact of inflation on its financial position and results, the Company has elected to use price indices that have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE").

The Company, which uses the Canadian Dollar, a stable currency, as its presentation currency has applied IAS 29 on a prospective basis, without restatement of comparative and prior period balances. Accordingly, upon adoption of IAS 29, the Company immediately recognized an adjustment (the "Opening Hyperinflation Adjustment") for the restatement of opening non-monetary assets held by MSA in the amount of $7,480,143, to reflect the cumulative effects of inflation from the historical dates when they were first recognized to July 1, 2018. The Company has elected, as an accounting policy choice, to recognize the Opening Hyperinflationary Adjustment as an item of other comprehensive income, where it has been combined with the cumulative foreign currency translation adjustments on the consolidated statement of financial position.

The comparative period amounts included in the Financial Statements do not require restatement as they were presented previously in a stable currency, the Canadian Dollar.

QUALIFIED PERSONS

The scientific and technical data included in this MD&A has been reviewed by Mr. Mario Alfaro, Professional Geoscientist and Vice President (Exploration) of the Company and a geological consultant. Mr. Alfaro 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, 2019 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