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

For the Three and Six Months Ended June 30, 2021

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MINSUD RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Six Months Ended June 30, 2021

INTRODUCTION

The following is a Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Minsud Resources Corp. (the "Company" or "Minsud") to enable a reader to assess the financial condition and results of operations of the Company for the three and six months ended June 30, 2021.

This MD&A has been prepared as at August 27th, 2021 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 six months ended June 30, 2021 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 June 30, 2021, 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, Carlos Alberto Adamo (non-executive 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. Taussig, Mr. Adamo and Mr. Dranovsky form the compensation committee.

On March 26, 2021, the following changes to directors, officers, and management occurred:

- Diego Bauret resigned to his position as Chief Operating Officer of MSA.

On July 16, 2020, the following changes to directors, officers, and management occurred:

- Alberto Orcoyen resigned as President and Chief Executive Officer;
- Ramiro Massa resigned as Corporate Secretary and was appointed as President and Chief Executive Officer;
- Michael Johnston was appointed as Corporate Secretary; and
- Diego Bauret was appointed as Chief Operating Officer of MSA.

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), and Pablo Taussig.

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 five additional properties, in total the company controls an area of 19,883 hectares or 199 square kilometers.

Minsud, through its subsidiary MSA, owns 100% of the Chita property and the five adjacent properties (Chita Este, Brechas Vacas Oeste, Chita Norte, Chita Sur and Fortuna I). Minsud is also the beneficial owner of a 50% interest in a trust that owns 100% of the Brechas Vacas property and a 65% of a trust that owns 100% of the Minas de Pinto property. The remaining beneficial interest 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. A 2% NSR on future production revenue from the Fortuna I exploration permit is payable to Teck Argentina Ltd. Minsud has the right to purchase one half or 1% of the NSR royalty by paying US$600,000.

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 AND SIX MONTHS ENDED JUNE 30, 2021

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. The Company's most recent financing occurred on December 10, 2019, when the Company issued 4,251,000 Units for gross proceeds of $425,100 pursuant to a non-brokered private placement.

Projects

On March 26, 2018, Minsud filed a National Instrument 43-101 ("NI 43-101") Technical Report and updated Mineral Resource Estimate on the Chita South Porphyry Deposit. The Mineral Resource Estimate considers copper as a primary consideration along with molybdenum, gold and silver mineralization. The latest estimate includes Indicated Resources of 33.02 million tonnes at a grade of 0.43% Cu, 0.07 g/t Au 2.28 g/t Ag and 0.018% Mo and Inferred Resources of 8.59 million tonnes at a grade of 0.40% Cu, 0.07 g/t Au. 1.73 g/t Ag and 0.016% Mo.

However, the mineral potential of the Chita Valley Project as a whole goes far beyond the known Indicated and Inferred Resources at Chita South Porphyry. The results of 2020 scout drilling programs and the revision of historical drill results performed in the Chinchillones area, have provided some intercepts that support the presence at shallow and at down depth level of a Zn-Pb-Cu-(Ag-Au) polymetallic epithermal system. In addition, management has already identified highly prospective targets, like Minas de Pinto and Placetas, which potentially may 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 favourable topography, abundant water, access to power, excellent infrastructure and friendly climate, the Chita Valley Project has the field conditions to explore on a year-round basis and no active alpine glaciers are possible below approximately 4,100 m ASL.

The Environmental Impact Reports ("EIR") for Chita property, Brechas Vacas property and Minas de Pinto property, have been renewed for a period of two years ending June 18, 2022, July 24, 2022, and May 21, 2022, respectively. Subject to financing, this allows the Company to conduct ongoing multidisciplinary exploration surveys and activities including drilling and mechanical trenching.

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.

<u>Earn-in Agreement</u>

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 $14 million in capital contributions to MSA over a period of 4 years, as follows: (i) not less than $3.5 million by December 31, 2020; (ii) not less than an aggregate of $7 million by December 31, 2021; (iii) not less than an aggregate of $10.5 million by December 31, 2022; and (iv) not less than an aggregate of $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 $14 million.

During the period ended June 30, 2021, the Company received payments translated for financial reporting purposes at the period end foreign exchange rate of $1,497,340 (year ended December 31, 2020 - 2,929,532) related to the first tranche of payments. Actual cash received and translated at the foreign exchange rate at the date of receipt were $1,183,401 (year ended December 31, 2020 - $3,230,740). As at June 30, 2021, South32 invested a total of $5,321,552 (US$4,030,688) to the Earn-in Agreement. These payments have been deferred as a liability and represents a portion of the funding that will form the consideration for South32's investment in MSA, should South32 exercise its right to acquire a 50.1% direct interest in MSA as discussed above.

On February 4, 2021, South32 gave notice of its intention to fund exploration activities in 2021 as per the earn-in agreement.

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 AND SIX MONTHS ENDED JUNE 30, 2021

Chita Valley Project

Geological Features

The Chita Valley project is located near the northern limit of the present day amagmatic (not volcanic) Chilean-Pampean (Argentina Sierras Pampeanas) flat slab segment of the Andean Cordillera (~28°–33°S), which is characterized by low-angle subduction of the Nazca plate beneath South America (porphyry copper deposits belt in Chile- Argentina, are related to this tectonic feature).

The Chita valley project is the eastern 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 gold belt to the north. In the neighboring, El Indio belt, west of Chita (Chile – Argentina border), volcanic rocks are widespread, whereas, where the Chita project is situated, the volcanic pile is rather less extensive due to erosional removal during kilometer scale by Miocene uplift to expose the late Paleozoic to Triassic basement, conformed at place by the Tectonic Thin Skinner Aguas Negras Paleozoic Fm and by crystalline lower Thick Skinner conformed by Permian granite intrusive. Thin and Thick Skinner tectonic events are related to emplacements of the major porphyry systems in Chile.

In addition to these considerations, during porphyry emplacement through the Aguas Negras Fm (quartzites), a non-reactive rock with 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 anomalously high Au and Ag values have been emplaced at the top of the Chita South and North (lithocap) and are representative of porphyry continuity below the Chita Valley to the west, below the quartzites lithocap. Phreato hydrothermal breccia intercepted in the recent drill programs, are indicative of a deep eroded porphyry system and highly uplift and eroded rate of the magmatic-hydrothermal system during emplacement.

At Chinchillones area, a sequence of mainly quartzites of Aguas Negras Fm outcrop and are intruded by Quartz diorite-dacite porphyry, presenting cross cutting of typical porphyry quartz vein types, related with a porphyry system concealed below the Chita Valley, as geophysical data surveys also confirmed. The structural system affecting the Chinchillones target comprise polymetallic Au-Ag-Cu-Pb-Zn intermediate Sulfide veins mineralizations, which are consistent with the same structural system along a northeast structural trend, as we observed in the environment of the Chita North and Chita South and where appears also to be anomalously high in Au-Cu-Pb-Ag-Zn mineralization.

Different Phreatic - Hydrothermal breccias observed at Chita and Chinchillones, reflect a complex sequence of multiple events that occured at the upper parts of a porphyry system during their emplacement.

The 2020/2021 drill results so far at Chinchillones support continuous polymetallic mineralization (Pb-Ag-Zn-Cu-Au), affiliated with porphyry Cu-Mo mineralization, occurring in a >2km-long, at least 250m-wide NNE-striking zone. The potential for a large porphyry copper-molybdenum system in the Chinchillones area is interpreted here to remain open to the south and at depth.

The drill confirmed higher-grade zones correspond to discrete phreatic hydrothermal breccia bodies traversing the porphyry mineralization, indicating telescoping / hydrothermal collapse of the magmatic system. The presence of multiphase intrusion is thought to indicate cluster of porphyry centers as valid exploration targets.

Work Program performed during fiscal 2020:

During fiscal 2020, the Company completed Phase 1 and Phase 2 diamond drilling programs. These two phases tested targets identified during the systematic multidisciplinary exploration program conducted in the area during 2019-2020, together with results from the pole-dipole geophysical IP survey that covered a total of 68 line-kilometers, lithogeochemical studies and the revision of historical geochemical information.

Phase 1 diamond-drilling program comprised a total of 3,559 meters in 6 holes, over the Chinchillones Porphyry and Epithermal Complex area, located 2 km west of main Chita Target (PSU). The exploration survey was based on the results of the geophysics carried out during December 2019, where a porphyry and epithermal anomalies were identified. The results of this exploration scout program and the revision of historical drill results performed in the Chinchillones area, have provided some intercepts that support the presence at shallow and at down depth level of a Zn-Pb-Ag-Cu-Au polymetallic epithermal system over at least 1 km extension along a north east structural trend. This recent fieldwork also highlighted the potential for a porphyry and epithermal system at shallow depths and suggested the presence of a long-lived mineralization system open to the East and linked with the Chita South Porphyry (PSU), located 2 km to the East.

Phase 2 diamond-drilling program was completed during the second half of 2020 comprising 5,818 m, with variable depths between 350-650 meters and distributed in 12 DDH at Chinchillones target (2,884 m) and 6 DDH at PSU and PNO targets (2,934 m). The results of Phase 2 scout drilling exploration program confirmed intercepts that support effectively the presence at shallow and at down depth level of a Zn-Pb-Cu-(Ag-Au) polymetallic epithermal system and deeper parental porphyry Cu-Mo-Au open to the NNE at the Chinchillones area. Through Phases 1 and 2, the Company completed a total of 9,377 meters.

During fiscal 2020, the Company also completed the geophysical Induced Polarization (IP) survey program that was initiated in 2019. A Total of 68 line-kilometers were completed across the Chita Valley Project, covering Brechas Vacas, Chita and Minas de Pinto properties. The purpose of this survey was to provide broad scale resolution of highly significant IP response features extending down to between 350m to 600m below surface.

Work Program performed during fiscal 2021:

On May 12, 2021, the Company commenced Phase 3 drilling program that comprises a total of 6,100 meters, distributed in 24 holes, to test the Au-Ag-bearing oxidation zone at Chinchillones area through a systematic grid shallow drilling and scout drilling targeting anomalous areas at the Chita polymetallic and porphyry complex. (*see press release date May 12, 2021*).

As of the date of this MD&A, fourteen (14) drillholes have been completed encompassing a total 6,150 meters. A total of five (5) drillholes have been completed and geochemical results received (*see press release dated August 26, 2021)*. A total of nine (9) drillholes are still pending at ALS laboratory for geochemical results and the Phase 3 drill program is still ongoing. The Company has been able to continuously drill through the winter period and plans to expand the current program towards second half of 2021.

Drill hole CHDH21-23 returned 202m at 0.70% CuEq from 148m (0.13% Cu, 0.77% Zn, 22 g/t Ag) including a higher-grade section of 36.05m at 1.12% CuEq from 271m to 307.05m (0.24% Cu, 47.18 g/t Ag, 0.94% Zn). This drill, oriented SSE, dipping 65° and 707m depth, went below the main resurgent dome and intersected several lithologies affected by intense sericitic alteration with strong secondary silica-sulfide zones. Sulfide mineralization averages 1-3 vol% and consists of veined and disseminated pyrite-

chalcopyrite. The principal mineralization is hosted in hydrothermal breccias and intermediate sulphidation veins of sphalerite –galena– chalcopyrite.

The porhyry affiliation is supported by the 84m from 598m to 682 m at 0.35% CuEq (0.17% Cu, 0.14 g/t Au, 4.77 g/t Ag, 85 ppm Mo) characterized by increased molybdenite and chalcopyrite both in veins and as disseminations in porphyry host rocks.

This drill hole, together with CHDH20-04 and CHDH20-05 (Phase 1) and CHDH20-17 (Phase 2) support the presence of a porphyry system at depth with linkage to shallow polymetallic Cu-Au-Pb-Zn mineralization.

La Rosita Project

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 between 2018 and 2021.

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, 2020 ($)	As at and for the Year Ended December 31, 2019 ($)	As at and for the Year Ended December 31, 2018 ($) (Restated)
Net loss for the year	(1,694,739)	(537,238)	(397,622)
Comprehensive income (loss) for the year	(2,091,583)	(1,433,925)	3,974,836
Loss per share, basic and diluted	(0.01)	(0.00)	(0.00)
Loss per share from continuing operations, basic and diluted	(0.01)	(0.00)	(0.00)
Non-current assets	13,608,177	12,551,033	12,563,829
Current Assets	1,287,310	782,167	432,292
Non-current liabilities	4,105,996	921,204	Nil
Current Liabilities	557,770	194,198	269,798
Working Capital	729,540	587,969	162,494
Share Capital	18,098,392	18,113,596	17,456,648
Shareholders' Equity	10,231,721	12,217,798	12,726,323

Project expenditures for the three months ended June 30, 2021 are as follows:

Three months ended June 30, 2021	**Chita ($)**	**Brechas Vacas ($)**	**Minas de Pinto ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	NIL	157,360	17,478	NIL	NIL	174,838
Drilling	3,988	300,406	1,608	NIL	NIL	306,002
Road	3,563	16,447	2,716	NIL	NIL	22,726
Assays	713	26,936	44	NIL	NIL	27,693
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL
Labour and Technical Fees	14,374	86,651	14,474	NIL	NIL	115,499
Vehicles and Equipment	1,610	12,874	1,610	NIL	NIL	16,094
Travel and Lodging	804	1,968	246	NIL	NIL	3,018
Project Management	(7,519)	(248,166)	(13,285)	NIL	1,566	(267,404)
Current Expenditures	**17,533**	**354,476**	**24,891**	**NIL**	**1,566**	**398,466**
Currency Translation Adjustment	(389,797)	(206,386)	(129,380)	NIL	(387)	(725,950)
Effects of Hyperinflation	796,648	428,028	264,764	NIL	821	1,490,261
Write-offs	NIL	NIL	NIL	NIL	NIL	NIL
Balance – April 1, 2021	**7,626,612**	**3,776,115**	**2,414,773**	**NIL**	**6,657**	**13,824,157**
Balance – end of period	**8,050,996**	**4,352,233**	**2,575,048**	**NIL**	**8,657**	**14,986,934**

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

Project expenditures for the six months ended June 30, 2021 are as follows:

Six months ended June 30, 2021	**Chita ($)**	**Brechas Vacas ($)**	**Minas de Pinto ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	NIL	157,360	50,100	NIL	NIL	207,460
Drilling	3,946	300,307	1,608	NIL	NIL	305,861
Road	3,580	16,487	2,716	NIL	NIL	22,783
Assays	52,660	42,629	44	NIL	NIL	95,333
Geophysics	NIL	NIL	NIL	NIL	NIL	NIL
Labour and Technical Fees	58,966	139,673	19,347	NIL	NIL	217,986
Vehicles and Equipment	4,052	18,573	1,610	NIL	NIL	24,235
Travel and Lodging	3,312	4,777	246	NIL	NIL	8,335
Project Management	(42,352)	(272,992)	(24,255)	NIL	1,566	(338,033)
Current Expenditures	**84,164**	**406,814**	**51,416**	**NIL**	**1,566**	**543,960**
Currency Translation Adjustment	(1,024,054)	(537,864)	(339,482)	NIL	(1,005)	(1,902,405)
Effects of Hyperinflation	1,508,002	799,657	500,370	NIL	1,514	2,809,543
Write-offs	NIL	NIL	NIL	NIL	NIL	NIL
Balance –beginning of period	**7,482,884**	**3,683,626**	**2,362,744**	**NIL**	**6,582**	**13,535,836**
Balance – end of period	**8,050,996**	**4,352,233**	**2,575,048**	**NIL**	**8,657**	**14,986,934**

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

Project expenditures for the three months ended June 30, 2020 are as follows:

Three months ended June 30, 2020	**Chita ($)**	**Brechas Vacas ($)**	**Minas de Pinto ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	NIL	74,622	596,787	NIL	NIL	671,409
Drilling	8	257,735	3	NIL	NIL	257,746
Road	461	18,591	154	NIL	NIL	19,206
Assays	NIL	52,576	NIL	NIL	NIL	52,576
Geophysics	38,960	14,069	13,497	NIL	NIL	66,526
Labour and Technical Fees	19,704	47,331	7,770	NIL	NIL	74,805
Vehicles and Equipment	3,303	6,237	680	NIL	NIL	10,220
Travel and Lodging	2,523	2,126	354	NIL	NIL	5,003
Project Management	(51,138)	(383,068)	(14,711)	1,442	2,813	(444,662)
VAT Paid	NIL	NIL	NIL	NIL	NIL	NIL
Current Expenditures	**13,821**	**90,219**	**604,534**	**1,442**	**2,813**	**712,829**
Currency Translation Adjustment	(867,399)	(447,796)	(260,517)	(94,278)	(455)	(1,670,445)
Effects of Hyperinflation	337,812	174,194	99,832	36,718	170	648,726
Write-offs	NIL	NIL	NIL	NIL	NIL	NIL
Balance – April 1, 2020	**7,880,384**	**3,809,077**	**2,004,194**	**825,361**	**2,470**	**14,521,486**
Balance – end of period	**7,364,618**	**3,625,694**	**2,448,043**	**769,243**	**4,998**	**14,212,596**

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

Project expenditures for the six months ended June 30, 2020 are as follows:

Six months ended June 30, 2020	**Chita ($)**	**Brechas Vacas ($)**	**Minas de Pinto ($)**	**La Rosita ($)**	**Other ($)**	**Total ($)**
Acquisition costs (a)	NIL	74,622	596,787	NIL	NIL	671,409
Drilling	678	837,489	3	NIL	NIL	838,170
Road	3,824	73,308	3,361	NIL	NIL	80,493
Assays	878	88,961	NIL	NIL	NIL	89,839
Geophysics	40,672	29,478	13,497	NIL	NIL	83,647
Labour and Technical Fees	44,719	142,185	13,861	NIL	NIL	200,765
Vehicles and Equipment	4,447	20,504	680	NIL	NIL	25,631
Travel and Lodging	4,813	10,386	354	NIL	NIL	15,553
Project Management	(45,217)	(343,898)	(12,182)	2,268	2,813	(396,216)
VAT Paid	NIL	NIL	NIL	NIL	NIL	NIL
Current Expenditures	**54,814**	**933,035**	**616,361**	**2,268**	**2,813**	**1,609,291**
Currency Translation Adjustment	(774,107)	(405,179)	(236,083)	(84,116)	(393)	(1,499,878)
Effects of Hyperinflation	853,101	400,400	234,774	92,888	569	1,581,732
Write-offs	NIL	NIL	NIL	NIL	(4,788)	(4,788)
Balance – beginning of year	**7,230,810**	**2,697,438**	**1,832,991**	**758,203**	**6,797**	**12,526,239**
Balance – end of period	**7,364,618**	**3,625,694**	**2,448,043**	**769,243**	**4,998**	**14,212,596**

(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 and six months ended June 30, 2021, the Company spent $396,900 and $542,394 on the continued exploration of the Chita Valley Project, a decrease of $311,674 and $1,061,816 when compared to expenditures of $708,574 and $1,604,210 during the three and six months ended June 30, 2020. 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.

During fiscal 2020 the Company successfully conducted and executed the "Year 1 Approved Program and Budget" as defined in the Earn-in Agreement. This first year of the agreement covered 14 months, commencing on November 1, 2019 and ending on December 31, 2020.

On February 4th, 2021, South32 gave notice of its intention to continue funding the exploration activities during fiscal 2021 and approved the "Year 2 Program and Budget" as defined in the Earn-in Agreement. The approved program is currently being executed.

• Drilling program: During fiscal 2020, the company completed a scout drilling program comprised of 2 different phases: (i) Phase 1 was completed during first half of the year for a total of 3,559 m DDH, and approximately 1,750 geochemical samples were sent to the laboratory for analysis; (ii) Phase 2 was completed during second half of the year for a total of 5,818 m DDH, and approximately 2,900 geochemical samples were sent to the laboratory for analysis. The results of these 2 drill phases have been reported through a press release dated June 23, 2020, and February 5, 2021, respectively, and are available on SEDAR.

On May 12, 2021, the company announced commencement of Phase 3 drilling program. As of the date of this MD&A, fourteen (14) drillholes have been completed encompassing a total 6,150 meters. A total of five (5) drillholes have been completed and geochemical results received. A total of nine (9) drillholes are still pending at ALS laboratory for geochemical results and the Phase 3 drill program is still ongoing. The Company has been able to continuously drill through the winter period and plans to expand the current program towards second half of 2021.

• Geophysics: During fiscal 2020, the Company completed an IDPC (Porphyry Copper Intrusive) geophysical survey for a total of 68 km, 13 lines (dipoles 200 mts separation to 10n levels for up to 600 mts est. depth range). During the six months ended June 30, 2021, the Company did not plan any geophysics survey.

• Mineralogical studies: During the six months ended June 30, 2020, the company hired a professional from Chile to prepare a Petrography and fluid inclusions study on selected samples covering main lithological-mineralization's intercepts from shallow epithermal to deep porphyry system. During the six months ended June 30, 2021, the company hired another professional from Argentina to prepare a report of Chalcography, Microsonde and Petrography on 19 selected samples.

• Baseline studies: The Company performs quarterly surveys to analyze the characteristics of the water, the stream water flow volume and laboratory assays at several points along the Chita Valley. During the six months ended June 30, 2021, the company also completed a Flora & Fauna survey for summer season, together with a limnology study to analyze biological characteristics of the water.

• Community Relationship Program: During fiscal 2020, the Company initiated a community relations program designed to guide the interactions with the local communities and other stakeholders to establish and maintain the social license required to operate the project from the exploration stage towards the prefeasibility of the Chita Valley project. The Community Relationship Program is mainly based on key issues such as water, health, and education. During fiscal 2020, the Company hired a community relations consultant and contributed medical equipment to the local medical centers at Bella Vista and Villa Iglesia. During the six months ended june 30, 2021, the Company signed a Collaboration Agreement with the Municipality of Iglesia and the Hydraulic Department, to contribute with 5,350 litres of fuel for the repair of the historic Chita water channel to help improve irrigation at farms located in the nearby villages.

• Legal measurement (Mensura): During fiscal 2020 the Company completed the legal measurements of the boundaries of Chita I, Chita II and Chita III properties which were approved by the Ministry of Mines on November 26, 2020. During January 2021, the Company completed the legal measurements of the boundaries of Chita IV, V and VI which have been filed at the Ministry of Mines and are pending approval.

• Acquisition of Fortuna I property: On June 26, 2020, the Company signed an agreement with Teck Argentina Ltd. to acquire the property Fortuna I, located at the north of Brechas Vacas property. The agreement provides that the Company funds the costs to recover the property including all outstanding mining canons and related legal fees, and grants to Teck Argentina Ltd. a 2% NSR on future production on Fortuna I property. A half of such NSR (1%) can be purchased at any time at a cost of US$ 600,000.

• Minas de Pinto trust: 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. Furthermore, the parties entered 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$935,000 on or before April 7, 2024. As of the date of this MD&A, the Company paid the first three installments for a total amount of US$ 150,000 ($196,645).

• Brechas Vacas trust: On June 25, 2020 and December 19, 2020 MSA made cash payments of US$ 50,000 ($68,250) and US$ 75,000 ($95,903), respectively, to the BV owners pursuant to the terms of the option agreement. On June 25, 2021 Minsud paid the last instalment of US$ 120,000 ($157,360).

• Mining canons: The Company is up to date with its mining canon obligations. As of the date of this MD&A the Company has already paid its mining canon obligations for the 1st and 2nd semester of year 2021 over all its mineral properties.

La Rosita Property

During the three and six months ended June 30, 2021, the Company did not actively explore La Rosita property. As of December 31, 2020, the Company decided to write off the investment made in La Rosita property.

OPERATING ACTIVITIES AND FINANCIAL PERFORMANCE

During the three and six months ended June 30, 2021, the Company incurred total expenses of $22,728 and $95,389 representing a decrease of $114,337 and $161,593 when compared to expenses of $136,972 and $256,982 for the three and six months ended June 30, 2020. The overall decrease is mainly related to the impact of hyperinflation and the taxes on ownership of the subsidiary.

Cash expenses incurred by the Company of $81,331 and $193,068 for the three and six months ended June 30, 2021, represent a decrease of $35,916 and $15,124 when compared to cash expenses of $117,247 and $208,192 for the three and six months ended June 30, 2020.

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, transaction costs and regulatory fees. The Company incurred professional and regulatory fees of $59,975 and $150,776 during the three and six months ended June 30, 2021. These expenses represent a decrease of $1,014 and an increase of $12,529 when compared with expenses of $60,989 and $138,247 incurred during the three and six months ended June 30, 2020. The increase is mainly related to an increase in compensation for CEO fees during the six months ended June 30, 2021. The decrease is related to a decrease in legal fees that occurred during the three months ended June 30, 2021.

The Company incurred marketing and communications expenses of $1,293 and $3,111 during the three and six months ended June 30, 2021, which represents an increase of $257 and $852 when compared to expenses of $1,036 and $2,259 incurred during the three and six months ended June 30, 2020.

The Company incurred general and administrative expenses of $10,908 and $20,026 during the three and six months ended June 30, 2021, which represent a decrease of $1,486 and $1,182 when compared to expenses of $12,394 and $21,208 incurred during the three and six months ended June 30, 2020.

The Company incurred taxes on ownership of MSA of $9,155 and $19,155 during the three and six months ended June 30, 2021, which represents a decrease of $33,673 and $27,323 when compared to expenses of $42,828 and $46,478 incurred during the three and six months ended June 30, 2020. This tax represents 0.5% of the net assets held by a foreign company on an Argentinean subsidiary. The decrease in 2021 is the result of a correction made on second quarter of 2020 as consequence of an increase in the aliquot that was not accrued.

The Company incurred the following non-cash expenses that contributed to the net loss for the three and six months ended June 30, 2021, and 2020:

- Expenses related to share-based payments during three and six months ended June 30, 2021, were $4,534 and $13,272, an increase of $4,534 and $13,272 when compared to share-based payments of $Nil for the three and six months ended June 30, 2020. During the six months ended June 30, 2021, the Company granted 539,000 stock options to certain officers of the Company. The fair value of these stock options will be expensed as share-based compensation expense over the vesting period of the stock options.

- Write-offs of exploration expenses during the three and six months ended June 30, 2021, of $Nil. Write-offs of exploration expenses of $248 and $5,174 were incurred during the three and six months ended June 30, 2020.

- As a result of the adoption of IAS 29, the Company incurred a gain of $63,137 and $94,678 during the three and six months ended June 30, 2021, as a result of the application of inflation factors to the net monetary assets (asset less liabilities) of MSA during the year. The Company incurred losses of $19,570 and $44,050 during the three and six months ended June 30, 2020. Argentina has been designated a hyper-inflationary economy as of July 1, 2018.

- Finally, the significant currency translation adjustments of $408,412 and $437,895 resulted in overall accounting gains of $385,684 and $342,506 during the three and six months ended June 30, 2021. The currency translation adjustments 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 of ($875,931) and $143,868 resulted in overall accounting losses of $1,012,903 and $113,114 incurred during three and six months ended June 30, 2020.

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 2020 was 36% (inflation for year 2019 was 54%). 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	2021		2020				2019	
For the quarters ended	Jun	Mar	Dec	Sep	Jun	Mar	Dec	Sep
	$							
Net Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) for the period	(22,728)	(72,661)	(1,189,885)	(247,872)	(136,972)	(120,010)	(183,250)	(106,376)
Comprehensive Income (Loss) for the period	385,684	(43,178)	(1,456,165)	(522,304)	(1,012,903)	899,789	420,611	(2,177,189)
Income (Loss) per share, basic and diluted	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Income (Loss) per share from continuing operations, 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 2021, 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 $1,084,826 as at June 30, 2021, compared to working capital of $729,540 as at December 31, 2020 and $707,967 as at June 30, 2020. As at June 30, 2021 the Company held cash and cash equivalents of $968,667 versus $747,294 as at December 31, 2020 and $736,569 as at June 30, 2020.

On February 12, 2021, the Company granted 539,000 incentive stock options under the Company's stock option plan to certain officers. The stock options are exercisable at a price of $0.15 per share, all of which shall vest as to one-quarter on February 12, 2021, one-quarter on August 12, 2021, one-quarter on February 12, 2022, and one-quarter on August 12, 2022 and shall be exercisable for a period of five years from the date of issuance.

On March 26, 2021, Diego Bauret resigned to his position as Chief Operating Officer of MSA, resulting in the expiry of 92,250 of the options discussed above.

On July 16, 2020, the Company granted 1,400,000 stock options to a former officer and former directors of the Company. The options have an exercise price of $0.10 per share and vested immediately upon grant. The options have a term of five years.

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 finance exploration at 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	5,446,750
Warrants	4,251,000
Put and Call Option	790,000
TOTAL	**166,698,444**

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	3,600,000	-	0.30	December 15, 2021
$0.10	1,400,000	-	3.89	July 16, 2025
$0.15	238,750	208,000	4.47	February 12, 2026
	5,238,750	208,000	1.56	

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	4,251,000	0.29	December 10, 2021
	4,251,000	0.29	

During the period ended June 30, 2021, 5,278,000 warrants expired un-exercised.

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$
	2021	-	-	50,000	50,000
	2022	-	-	100,000	100,000
	2023	-	-	100,000	100,000
Total staggered payments		**-**	**-**	**250,000**	**250,000**

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		**535,000**	**200,000**	**1,185,000**	**1,720,000**

The Company's staggered payments disclosed above relate to the remaining obligations for to the acquisition of the Company's 50% interest in the Brechas Vacas Trust and its 65% interest in the Minas de Pinto Trust, respectively. The Option payments disclosed above relate to the consideration the Company would be obligated to pay should it exercise its option to acquire the remaining 50% interest in the Brechas Vacas Trust and the remaining 35% interest in the Minas de Pinto Trust, respectively.

Further information is disclosed in Notes 6 and 13 of the Financial Statements and in the PRINCIPAL BUSINESS OF THE COMPANY section in this MD&A.

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

On January 24, 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 other party.

On January 25, 2021, the Company and the Company's Vice-President (Exploration) signed a new consulting agreement for a fixed monthly fee of $3,500 for the twelve-month period ending January 25, 2022. Either party can terminate the agreement without consequence by giving 60 days advance notice to the other party.

RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2021 and 2020, the Company incurred the following related party transactions:

i) Transactions

a. A total salary of $82,469 (2020 - $58,488) was charged by Ramiro Massa, the President and CEO of the Company.

b. A total of $19,000 (2020 - $17,500) of accounting and regulatory compliance fees and $10,500 (2020 - $10,500) of CFO were charged by Forbes Andersen LLP, an accounting firm in which Mike Johnston, the Company's CFO and Corporate Secretary, is a partner.

c. A total of $Nil (2020 - $3,500) of professional fees and $Nil (2020 - $163) 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.

d. A total of $23,084 (2020 - $17,309) of professional fees and $260 (2020 - $1,018) of mineral property exploration expenses were charged by Mario A. Alfaro Cortes, the Company's current Vice-President (Exploration). These amounts have been capitalized to mineral properties.

ii) Period-end Balances

a. As at June 30, 2021, accounts payable and accrued liabilities included $5,937 payable to Ramiro Massa, the President and CEO of the Company.

b. As at June 30, 2021, accounts payable and accrued liabilities included $23,483 payable to Forbes Andersen LLP, an accounting firm in which Mike Johnston, the Company's CFO, is a partner.

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 period ended June 30, 2021, 104,000 stock options vested.

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 share-based payments 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.

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.

Global Outbreak of COVID 19 (Coronavirus)

Subsequent to the Company's December 31, 2019 year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the federal, state, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders in Canada and Argentina. At this time, the full extent of the impact the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by governments to fight the virus. While the extent of the impact is unknown, we recognize this outbreak may cause supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

The COVID-19 pandemic has forced the Company to reassess some of its business plans and priorities given the uncertain economic future. The impacts of the COVID-19 pandemic may also include: disruptions in its exploration work, increased costs resulting from the Company's efforts to mitigate the impact of the COVID-19 pandemic on operations; a deterioration of worldwide credit and financial markets that could limit the Company's ability to obtain external financing to fund the Company's capital expenditures or its operations. A material adverse effect on the Company's employees, suppliers and/or partners could have a material adverse effect on the Company.

The transmission of COVID-19 and efforts to contain its spread have continued to result in international, national, and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand (across all sectors), service cancellations, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty.

The overall severity and duration of COVID-19-related adverse impacts on the Company's business will depend on future developments which cannot currently be predicted, including directives of government and public health authorities, the status of labour availability and the ability to staff exploration work. Even after the COVID-19 outbreak has subsided, the Company may continue to experience material adverse impacts to its business as a result of the global economic impact, including any related recession.

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 consolidated 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 recovery of $94,678 (2020 – expense of $44,050), to adjust transactions recorded during the period into a measuring unit current as of June 30, 2021. The level of the IPC at December 31, 2020 was 385.9 (December 31, 2019 - 283.44), which represents an increase of 36% over the IPC at December 31, 2019.

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 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 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 period ended June 30, 2021 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