



TSX-V: MSR

Fact Sheet, Chita Valley Cu-Mo-Ag-Au Project, San Juan, Argentina

The Chita Valley Project (the Project”) of Minera Sud Argentina S.A. (MSA), a wholly owned subsidiary of Minsud Resources, is in San Juan Province, Argentina. The Project is a large exploration stage Tertiary diatreme volcanic vent/porphyry complex with classic alteration features, widespread porphyry style Cu-Mo-Ag-Au mineralization, and associated epithermal gold and silver-bearing polymetallic veins.

Mineral Land Holdings: The Chita Valley Property covers 17,422.65 hectares (174 km²) and consists of seven contiguous properties: the Brechas Vacas, Chita and Minas de Pinto mining concessions or Manifestaciones de Descubrimiento (8,514.24 ha); and four exploration permits or Cateos, Chita Este (4,490.77 ha), Brechas Vacas Oeste (1,232.15 ha), Chita Norte (1,881.31 ha), Chita Sur (1,304.18 ha).

Location, Access, Physiography, Infrastructure: Located in western San Juan Province, access to the Properties is very good. Located in the Andean Frontal Cordillera with elevations between 3,000 and 3,700 meters above sea level, year-round field operations are much easier than those in the high Andes.

History: Several old mineral prospects and artisanal mine workings exist on the property. Gold, silver, and lead were produced on a small scale early in the 20th century. The first documented exploration work started in 1968 by the Argentine government organization Dirección General de Fabricaciones Militares in search of Cu-Mo porphyry type deposits. Various junior and major companies conducted localized intermittent exploration work between 1989 and 2008. Minsud has been involved in the area since 2006.

Geology: The Chita Valley Project is located within the eastern part of tectono-metamorphic unit known as the Andean Frontal Cordillera composed mainly of Upper-Paleozoic strata deposited unconformably on a middle Paleozoic basement or Lower Paleozoic sediments, dependent upon its location. This formation was, folded and then intruded by Lower Permian granitoids. A series of porphyries and subvolcanic andesitic bodies of middle to upper Tertiary age are seen cutting all the previous rock sequences, or occurring locally as volcanic flows and volcanoclastic deposits.

Structurally the Chita Valley Project is located along a NW striking valley associated with a regional transfer fault. A complex of sub-volcanic mineralized intrusives are located at the intersection of the NW transfer faults with the N-S faults of the Andean structural system, as is the Chita copper-molybdenum mineralized porphyry complex. Recent detailed lithological mapping, mineralization and alteration studies have encountered enigmatic features that are indicative of a variety of classical mineralization environments.

Regional Mines, Development and Advanced Exploration Projects: San Juan Province, Argentina and adjacent areas of Chile contain a variety of important former (El Indio, Tambo, Casposo,) and current Au+/-Ag mining operations (Veladero, Gualcamayo) along with a major development stage project (Pascua-Lama).

Deposit Models: The northwestern region of San Juan Province, Argentina and neighboring Chile is home to a world class collection precious and/or base metal deposits mostly within a broad classification of hydrothermal deposits related to Tertiary diatreme volcanic vent/porphyry complexes. Deposits are hosted by a variety of plutonic, volcanic and sedimentary lithologies. In fact, many known deposits show characteristics of multiple settings throughout time and are termed, enigmatic gold/base metal deposits. Northwestern San Juan Province also hosts an earlier group

of Lower Permian-Triassic porphyry Cu-Mo and Cu-Au deposits and low-sulphidation Au deposits associated with intrusive and volcanic rocks, of calc-alkaline affinity.

Exploration Work Performed by MSA from 2006 to 2016: After acquiring the Chita, Brechas Vacas and Chita II Properties in 2006, MSA compiled historic work from various sources and completed two field programs in the summers of 2007 and 2008. The main ongoing objective of MSA is to define the geology, geochemistry, mineralogy, mineral paragénesis of the region in order to define the essential characteristics of the volcanic vent/porphyry system model as a guide to ongoing exploration.

The following historical data was compiled and integrated into the evolving Chita Valley conceptual model:

- 1968 and 1976, Dirección General de Fabricaciones Militares program of geological mapping, Schlumberger Vertical Electrical Sounding geophysical surveying and diamond drilling (Chita South Porphyry).
- 1995, Minas Argentina S.A. reverse circulation drilling (Chita South Porphyry).
- 2006, Silex Argentina S.A. ("Silex") geological reconnaissance, surface channel sampling and diamond drilling (Pinto Property).
- 2008, Rio Tinto Mining and Exploration ("Rio Tinto") reconnaissance exploration and diamond drilling (Placetas Porphyry).

The MSA exploration work from 2006 to 2016 is briefly summarized as follows:

- 2006-2008, compilation of historical work and geological reconnaissance/prospecting activities on the Chita and Brechas Vacas Properties.
- 2008, MSA drilled three diamond drill holes (845 m) in the areas of Chinchillones South, Breccias Chinchillones, and Porphyry "A". Porphyry and epithermal vein mineralization with anomalous base metals and Au and Ag was encountered, now all components of the "Chinchillones target".
- In 2009, MSA carried out a program of surface trenching.
- 2011, Pinto Property was added to the Project. MSA completed 16 diamond drill holes on the Chita Project with a cumulative total of 3,360.1 m. The various drilling and surface sampling programs confirmed Cu- Mo- Au-Ag porphyry style mineralization together with sometimes superimposed epithermal alteration features and Au – Ag polymetallic veins.
- 2012-2016 campaign, an early stage exploration program was performed, including: a ground magnetometer survey; property wide surface geological mapping and general compilation of existing data at 1:10,000 scale; detailed surface geological and alteration mapping over the Chita South and North Porphyry, the Chinchillones and Minas de Pinto Prospects. Channel sampling of outcrops was conducted and hand dug trenches were made to define geological units, alteration features and as an initial test of potentially mineralized structures. Additional magnetic surveying to complete initial coverage of the remaining parts of the Properties, as well as selective infill lines were completed in 2014. In 2015 IP/Resistivity surveying included 44.85 line km of pole-dipole array and 3.75 line km of dipole-dipole array coverage. In 2016 the Company commissioned a high resolution orthophoto topographic map/digital terrain model in the Chita Porphyry area.
- 2014-2016 Drilling Programs, two drilling campaigns were conducted by MSA in 2014 in the Chita Porphyry South ("PSU") sector including six HQ diamond drill holes completed in May and a further eighteen HQ holes completed in September-October. The latter program included one HQ hole as a preliminary test of the Chita Porphyry North sector. Both campaigns tested a substantial zone of Cu-Ag-Mo-Au mineralized overlapping multi-stage vein systems, hydrothermal breccias and porphyry style mineralization. In the fourth quarter of 2015 MSA completed a 22 holes, 4,088 meter HQ diamond drilling program predominantly in the PSU sector of the Chita Valley Project. Twenty drill holes tested a substantial zone of Cu-Ag-Mo-Au mineralized multi-stage vein systems and hydrothermal breccias in the southeastern border zone of the sector. Two drill holes, completed in the Chita Porphyry North sector, also returned interesting Au and Ag

values. Finally in the fourth quarter of 2016 the Company completed another 12 HQ holes totaling 1,700 metres all in the Chita Porphyry South sector.

- 2014-2016, Minsud retained P&E Mining Consultants Inc. (“P&E”) to complete independent National Instrument 43-101 (“NI 43-101”) Technical Reports and Mineral Resource Estimates on the PSU Deposit. The Mineral Resource Estimates considers copper as a primary consideration along with molybdenum, gold and silver mineralization that is potentially amenable to surface mining. The latest estimate (published January 4 2017) includes **Inferred Resources of 37.0 million tonnes at a grade of 0.44% Cu, 0.07 g/t Au, 2.2 g/t Ag and 0.018% Mo.**

Conclusions and Recommendations: The current exploration program represents a balance between systematic multidisciplinary exploration and prudent use of limited funding in a poor financial market. Although Minsud is much better financed than many junior explorers, the current program reflects a careful go-slow approach designed to maintain the key assets that are its mineral properties and operational personnel. Current work in progress includes:

- Bioleach SX-EW process testwork on PSU samples is under way at CodelcoTec S.A. laboratory in Santiago, Chile. At present Sample Preparation, Mineral Characterization (chemical, mineralogical and microbiological) and T.E.S (“test of potential of extraction of Cu”) are successfully completed. Work has begun on three 0.60 m Bioleach column tests of representative material with a report expected by mid-2017.
- Update PSU detailed geological and alteration maps, plans and cross sections to include data from the Q4 2016 drilling program.
- Prepare provisional Cash Flow Model for PSU. For internal planning purposes only. (after obtaining results from column tests).
- Additional Outline drilling at PSU mainly focused on primary mineralization at depth subject to financing.
- The geological team will continue detailed mapping and sampling various target areas that are accessible by new road construction
- Continue Environmental Baseline study.

Longer range plans include outline and infill drilling in the Chita Deposit area to upgrade a substantial portion of the Inferred Resources to the Measured + Indicated categories. With the usual mining, processing, infrastructure and environment studies, etc. the Company will assess the economic viability of the deposit as quickly as funding permits. Also as funding permits Minsud will advance the other target areas scattered throughout the Chita Valley Project.

Mr. Howard Coates, Professional Geoscientist, Director of the Company and a geological consultant, is a qualified person as defined by Canadian National Instrument 43-101. Mr. Coates visited the property and has read and approved the contents of this Chita Valley project –Fact Sheet.

Details of the Chita Valley and other Minsud Projects are available on www.sedar.com and on the Company’s website www.minsud.com.

About Minsud Resources Corp: Minsud is a mineral exploration company focused on exploring its flagship Chita Valley Cu-Mo-Au-Ag Project, in the Province of San Juan, Argentina. The Company also holds a 100% owned portfolio of selected early stage prospects, including 18,000 has in Santa Cruz Province, Argentina.