
Condensed Interim Consolidated Financial Statements

Minsud Resources Corp.

For the Three Months Ended March 31, 2013

Unaudited

INDEX

Condensed Interim Consolidated Statement of Comprehensive Loss	1
Condensed Interim Consolidated Statement of Financial Position	2
Condensed Interim Consolidated Statement of Changes in Equity	3
Condensed Interim Consolidated Statement of Cash Flows	4
Notes to the Condensed Interim Consolidated Financial Statements	5 - 17

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by the Corporation's management and the Corporation's independent auditors have not performed a review of these financial statements.

Minsud Resources Corp.

Condensed Interim Consolidated Statement of Comprehensive Loss

For the Three Months Ended March 31, 2013 and 2012

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

	2013	2012
Expenses		
General and administrative	\$ 8,276	\$ 7,885
Marketing and communications	10,362	32,213
Professional and regulatory fees	75,157	82,724
Stock-based compensation (note 10)	9,428	69,622
Less:		
Interest income	(707)	(2,648)
Net Loss for the Period	(102,516)	(189,796)
Other Comprehensive Loss		
Currency translation adjustment	(82,011)	(145,620)
Comprehensive Loss for the Period	\$ (184,527)	\$ (335,416)
Loss per Share - basic and diluted	\$ -	\$ (0.01)
Weighted Average Number of Common Shares		
Outstanding - basic and diluted	39,738,266	34,633,000
Net Loss for the Period Attributable to:		
Non-controlling interest	\$ (708)	\$ (1,116)
Equity shareholders of the Company	(101,808)	(188,680)
	\$ (102,516)	\$ (189,796)
Comprehensive Loss for the Period Attributable to:		
Non-controlling interest	\$ (2,237)	\$ (4,966)
Equity shareholders of the Company	(182,290)	(330,450)
	\$ (184,527)	\$ (335,416)

The accompanying notes form an integral part of these consolidated financial statements.

Minsud Resources Corp.

Condensed Interim Consolidated Statement of Financial Position as at March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

	March 31, 2013	December 31, 2012 (Audited)
Assets		
Non-Current Assets		
Mineral properties (note 6)	\$ 5,413,733	\$ 5,236,352
Property and equipment (note 5)	67,163	73,877
	<u>5,480,896</u>	<u>5,310,229</u>
Current Assets		
Cash and cash equivalents	747,003	1,063,920
Advances (note 12)	61,504	60,052
Prepaid expenses and deposits	7,712	18,245
Other receivables	32,430	22,683
	<u>848,649</u>	<u>1,164,900</u>
	<u>\$ 6,329,545</u>	<u>\$ 6,475,129</u>
Shareholders' Equity		
Issued capital (note 7)	\$ 8,769,179	\$ 8,769,179
Contributed surplus (note 10)	2,559,185	2,549,757
Cumulative translation reserve	(1,521,545)	(1,441,063)
Deficit	(4,121,360)	(4,019,552)
Equity attributable to shareholders of the Company	<u>5,685,459</u>	<u>5,858,321</u>
Non-controlling interest (note 1)	90,394	92,631
	<u>5,775,853</u>	<u>5,950,952</u>
Liabilities		
Non-Current Liabilities		
Property acquisition payable (note 6)	<u>249,067</u>	<u>277,928</u>
Current Liabilities		
Accounts payable and accrued liabilities	158,098	142,304
Current portion of property acquisition payable (note 6)	71,162	69,482
Other liabilities	75,365	34,463
	<u>304,625</u>	<u>246,249</u>
	<u>\$ 6,329,545</u>	<u>\$ 6,475,129</u>

Business of the Company (note 1)

Going Concern (note 2)

Commitments (notes 6 and 12)

Subsequent Events (note 13)

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors

Signed "Carlos A. Massa", Director

Signed "Alberto F. Orcoyen", Director

Minsud Resources Corp.

Condensed Interim Consolidated Statement of Changes in Equity

For the Three Months Ended March 31, 2013 and 2012

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

	Number of Common Shares	Issued Capital	Contributed Surplus	Currency Translation Reserve	Non- Controlling Interest	Deficit	Total Equity
Balance at January 1, 2013	39,738,266	\$ 8,769,179	\$ 2,549,757	\$(1,441,063)	\$ 92,631	\$(4,019,552)	\$ 5,950,952
Continued vesting of stock options (note 10)	-	-	9,428	-	-	-	9,428
Loss for the period	-	-	-	-	(708)	(101,808)	(102,516)
Other comprehensive loss for the period	-	-	-	(80,482)	(1,529)	-	(82,011)
Balance at March 31, 2013	39,738,266	\$ 8,769,179	\$ 2,559,185	\$(1,521,545)	\$ 90,394	\$(4,121,360)	\$ 5,775,853

	Number of Common Shares	Issued Capital	Contributed Surplus	Currency Translation Reserve	Non- Controlling Interest	Deficit	Total Equity
Balance at January 1, 2012	34,633,000	\$ 7,972,902	\$ 2,202,020	\$(658,676)	\$ 109,717	\$(3,335,398)	\$ 6,290,565
Continued vesting of stock options (note 10)	-	-	69,622	-	-	-	69,622
Loss for the period	-	-	-	-	(1,116)	(188,680)	(189,796)
Other comprehensive loss for the period	-	-	-	(141,770)	(3,850)	-	(145,620)
Balance at March 31, 2012	34,633,000	\$ 7,972,902	\$ 2,271,642	\$(800,446)	\$ 104,751	\$(3,524,078)	\$ 6,024,771

The accompanying notes form an integral part of these consolidated financial statements.

Minsud Resources Corp.

Condensed Interim Consolidated Statement of Cash Flows

For the Three Months Ended March 31, 2013 and 2012

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

	2013	2012
Cash Provided By (Used In):		
Operating Activities		
Net loss	\$ (102,516)	\$ (189,796)
Items not affecting cash:		
Stock-based compensation	9,428	69,622
	<u>(93,088)</u>	<u>(120,174)</u>
Net changes in non-cash working capital:		
Other receivables	(9,747)	(14,328)
Prepaid expenses	10,533	(8,305)
Accounts payable and accrued liabilities	7,094	6,743
Other liabilities	33,968	40,182
	<u>(51,240)</u>	<u>(95,882)</u>
Investing Activities		
Mineral property expenditures	(265,677)	(538,979)
Purchase of property and equipment	-	(40,817)
	<u>(265,677)</u>	<u>(579,796)</u>
Change in Cash and Cash Equivalents	(316,917)	(675,678)
Cash and Cash Equivalents - Beginning of Period	<u>1,063,920</u>	<u>2,445,162</u>
Cash and Cash Equivalents - End of Period	<u>\$ 747,003</u>	<u>\$ 1,769,484</u>
Supplemental Cash Flow Information		
Interest received	\$ 707	\$ 2,648

The accompanying notes form an integral part of these consolidated financial statements.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

1. Business of the Company

Minsud Resources Corp. (the "Company") was incorporated under the Ontario Business Corporations Act on October 11, 2007. The registered office is located at 56 Temperance Street, Suite 200, Toronto Ontario.

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Minsud Argentina Inc. ("MAI"), and MAI's subsidiary Minera Sud Argentina S.A. ("MSA"), and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS-IASB") as further discussed in Note 2.

MAI acquired 10,309,400 of the 10,852,000 outstanding common shares of MSA at May 10, 2011, representing a 95% ownership interest in MSA. The Company entered into a put and call option agreement with respect to the remaining 542,600 shares of MSA (representing 5% of the total number of issued and outstanding shares of MSA) which includes 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.

On May 16, 2011, MAI subscribed for an additional 9,148,000 common shares of MSA for consideration of \$2,169,377. On December 12, 2011, MAI subscribed for an additional 7,740,000 common shares of MSA for consideration of \$1,859,823. On June 18, 2012, MAI subscribed for an additional 4,254,785 common shares of MSA for consideration of \$970,001. As at March 31, 2013, MAI held 31,452,185 of the 31,994,785 outstanding common shares of MSA, representing an ownership interest of 98.30%

2. Basis of Presentation and Going Concern

a) Statement of Compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2012, and were approved by the Company's Board of Directors on May , 2013.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

2. Basis of Presentation and Going Concern (continued)

b) Going Concern

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

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

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

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.

3. Significant Accounting Policies

The accounting policies are consistent with those of the Company's audited consolidated financial statements for the year ended December 31, 2012.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgments, estimates and assumptions include those related to the ability of the Company to continue as a going concern, recoverability of amounts capitalized as mineral properties, determinations as to whether costs are expensed or deferred, evaluation of contingencies and determination of the Company's functional currency.

Management has determined that judgments, estimates and assumptions reflected in these consolidated financial statements are reasonable.

5. Property and Equipment

As at March 31, 2013

	<u>Vehicles</u>	<u>Office Equipment</u>	<u>Other</u>	<u>Total</u>
Cost				
Balance, beginning of period	\$ 135,718	\$ 22,183	\$ 2,743	\$ 160,644
Additions	-	-	-	-
Currency translation adjustments	(2,255)	(369)	(46)	(2,670)
Balance, end of period	<u>133,463</u>	<u>21,814</u>	<u>2,697</u>	<u>157,974</u>
Accumulated depreciation				
Balance, beginning of period	(70,259)	(15,105)	(1,403)	(86,767)
Amortization	(4,838)	(620)	(101)	(5,559)
Currency translation adjustments	1,231	259	25	1,515
Balance, end of period	<u>(73,866)</u>	<u>(15,466)</u>	<u>(1,479)</u>	<u>(90,811)</u>
Net carrying amount as at March 31, 2013	<u>\$ 59,597</u>	<u>\$ 6,348</u>	<u>\$ 1,218</u>	<u>\$ 67,163</u>

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

5. Property and Equipment (continued)

As at March 31, 2012	Vehicles	Office Equipment	Other	Total
Cost				
Balance, beginning of period	\$ 116,686	\$ 24,429	\$ 3,211	\$ 144,326
Additions	40,689	128	-	40,817
Currency translation adjustments	(4,108)	(860)	(113)	(5,081)
Balance, end of period	153,267	23,697	3,098	180,062
Accumulated depreciation				
Balance, beginning of period	(59,509)	(14,677)	(1,165)	(75,351)
Amortization	(7,754)	(1,199)	(116)	(9,069)
Currency translation adjustments	2,186	531	42	2,759
Balance, end of period	(65,077)	(15,345)	(1,239)	(81,661)
Net carrying amount as at March 31, 2012	\$ 88,190	\$ 8,352	\$ 1,859	\$ 98,401

6. Mineral Properties

As at March 31, 2013	San Juan Province Chita Valley			Santa Cruz Province			TOTAL
	Brechas Vacas	Chita	Minas de Pinto	San Antonio	La Rosita	Other	
Balance, beginning of period	\$1,714,751	\$ 2,142,429	\$ 520,769	\$ 188,523	\$ 669,878	\$ 2	\$ 5,236,352
Property rights/exploration agreements	-	19,234	-	-	-	-	19,234
Exploration	58,188	124,590	54,801	4,882	3,467	-	245,928
Currency translation adjustments	(28,729)	(36,236)	(8,933)	(3,151)	(10,732)	-	(87,781)
Balance, end of period	\$1,744,210	\$ 2,250,017	\$ 566,637	\$ 190,254	\$ 662,613	\$ 2	\$ 5,413,733
As at March 31, 2012	San Juan Province Chita Valley			Santa Cruz Province			TOTAL
	Brechas Vacas	Chita	Minas de Pinto	San Antonio	La Rosita	Other	
Balance, beginning of period	\$1,659,888	\$ 1,307,241	\$ 409,856	\$ 202,197	\$ 306,311	\$ 14,789	\$ 3,900,282
Property rights/exploration agreements	-	-	-	-	-	-	-
Exploration	126,470	49,083	30,921	7,179	250,426	1,341	465,420
Currency translation adjustments	(59,440)	(45,904)	(14,282)	(7,144)	(13,396)	(536)	(140,702)
Balance, end of period	\$1,726,918	\$ 1,310,420	\$ 426,495	\$ 202,232	\$ 543,341	\$ 15,594	\$ 4,225,000

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

6. Mineral Properties (continued)

Brechas Vacas Property

On September 7, 2007, the Company, through its subsidiary MSA, entered into an Exploration Agreement including a Purchase Option (the "Brechas Vacas Agreement") with the owners of the mining properties (the "BV Owners") identified as Proyecto Brechas Vacas, located 35 km from Iglesia in the Chita Valley, in the Province of San Juan, Argentina.

Pursuant to the Brechas Vacas Agreement, the BV Owners granted to the Company the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Company's sole discretion. In addition to the exploration rights, the BV Owners granted to the Company an irrevocable and exclusive option to purchase a 50% ownership interest in these properties pursuant to certain terms and conditions stated in the Brechas Vacas Agreement.

On September 6, 2011, MSA exercised its option to purchase a 50% ownership interest in these properties for consideration of US\$210,000 (\$207,748). In order to facilitate this, on December 23, 2011, ownership of the properties was transferred by the BV Owners to the Brechas Vacas Trust (the "Trust"). MSA simultaneously acquired a 50% beneficial interest in the Trust in exchange for the consideration of US\$210,000 in accordance with the terms of the option agreement dated September 7, 2007, and an extension agreement dated November 23, 2011.

The remaining 50% beneficial interest in the Trust held by the BV Owners was subject to a new exclusive and irrevocable purchase option agreement (the "Option") granted in favor of MSA. The Option provides MSA with an irrevocable and exclusive right to purchase the remaining 50% beneficial interest in the Trust in addition to the exclusive right to evaluate, prospect and explore the Brechas Vacas properties.

The Option is subject to semi-annual staggered payments to the BV Owners of US\$710,000 in aggregate commencing on July 4, 2012, and ending on December 9, 2016, in addition to an aggregate payment of US\$220,000 to be settled by the issuance of an equivalent number of common shares of the Company sometime between June 28, 2013 and December 9, 2016. The Option can be fully exercised by MSA at any time on or before June 7, 2017 (the "Expiration Date"). The Option's exercise price is US\$1,070,000 payable by cash payments of US\$535,000 and a payment of US\$535,000 to be satisfied by the issuance of an equivalent number of common shares of the Company. The issuance of common shares of the Company is subject to the Exchange's approval and will be issued at the market price as of the date any commitment becomes due. If MSA decides to exercise the Option before the Expiration Date, 75% of any outstanding payments, whether accrued or not, will be added to the final exercise price of the Option.

The number of common shares to be issued by the Company in connection with the payments discussed above is dependent upon the market price of the Company's shares at the time the shares are issued to the BV owners pursuant to the terms of the Option.

Once the Option is exercised and the remaining 50% of the beneficial interest in the Trust is transferred to MSA, the BV Owners will retain a 1.5% Net Smelter Return ("NSR") on the Brechas Vacas properties with Minsud having the option to purchase a 0.75% NSR, at any time, for a one-time payment of US\$750,000.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

6. Mineral Properties (continued)

Brechas Vacas Property (continued)

As at March 31, 2013, the Company had made cash payments totalling US\$100,000 (\$99,470) related to two installments to the BV Owners pursuant to the terms of the Option. As at March 31, 2013, the Company was in compliance with their staggered payments schedule.

Chita Property

On September 28, 2006, the Company, through MSA, entered into an Exploration Agreement including a Purchase Option (the "Chita Agreement") with the owners of the mining properties identified as Proyecto Chita, located 30 km from Iglesia, in the Chita Valley, in the Province of San Juan, Argentina.

Pursuant to the Chita Agreement, the owners granted to the Company the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Company's sole discretion. In addition to the exploration rights, the owners granted to the Company an irrevocable and exclusive option (the "Purchase Option") to purchase a 100% ownership interest in these properties pursuant to certain terms and conditions stated in the Chita Agreement.

On August 3, 2012, the Company exercised its Purchase Option to acquire a 100% interest in the Chita Property in exchange for a series of cash payments totalling US\$420,000 (\$424,967). The Chita Property is the core property in the Company's flagship Chita Valley Project. The exercise of the Purchase Option, and the conditions under which the Purchase Option was exercised, were accepted by the owners of the Chita property.

On September 12, 2012, the ownership interest in the Chita Property was transferred to the Company by an assignment of mining rights (Cesion de Manifestaciones de descubrimiento) signed under public notary, and is now registered by the Ministry of Mines in San Juan Province.

In consideration for the transfer of ownership of the Chita Property, the Company is required to pay a total of US\$420,000, payable as follows: US\$30,000 payable in cash within ten days from the date on which the property owners accepted the Company's offer to exercise the purchase option; US\$40,000 payable in cash simultaneously with the execution of the public deed evidencing the transfer of the Chita Property to the Company; and US\$350,000 payable in ten semi-annual cash payments of US\$35,000 each, the first of which shall be payable six months after the date of execution of the above mentioned public deed. As of the date of these financial statements, the Company has made the first three payments totalling US\$105,000 (\$104,681) and is in compliance with their payment commitments. The remaining payments have been accrued in property acquisition payable. The payments related to the exercise of the Purchase Option will be made as follows (all amounts are in United States Dollars):

2013	\$	35,000
2014	\$	70,000
2015	\$	70,000
2016	\$	70,000
2017	\$	70,000

A net smelter return or other similar right has not been, nor shall be, granted to the previous owners of the Chita Property.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

6. Mineral Properties (continued)

Minas de Pinto Property

On May 7, 2010, the Company, through MSA, entered into an Exploration Agreement including a Purchase Option (the "Minas de Pinto Agreement") with the owners of the mining properties identified under the name of Proyecto Minas de Pinto, located 30 km from Iglesia, in the Chita Valley in the Province of San Juan, Argentina.

Pursuant to the Minas de Pinto Agreement, the owners granted to the Company the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Company's sole discretion. In addition to the exploration rights, the owners granted to the Company an irrevocable and exclusive option to purchase a 100% ownership interest in these properties pursuant to certain terms and conditions stated in the Minas de Pinto Agreement.

On September 12, 2012, the first addendum to the Minas de Pinto Agreement was signed to re-structure the payment schedule included in the Minas de Pinto Agreement in light of the present financial market condition. Pursuant to the first addendum, in exchange for the right to evaluate, prospect and explore the properties, the Company shall pay to the owners a series of staggered payments totalling US\$500,000, with the first payment due May 7, 2013, and the final payment due May 7, 2016.

Pursuant to the first addendum of the Minas de Pinto Agreement, if the purchase option relating to the mining properties described above were to be exercised, the Company would be required to make a payment of US\$1,335,000 at any time during the life of the agreement, but prior to May 7, 2017.

As at March 31, 2013, the Company had paid US\$165,000 (\$165,646) related to four installments as required by the Minas de Pinto Agreement. As at March 31, 2013, the Company was in compliance with their staggered payments schedule.

Subsequent to March 31, 2013, the Company made a staggered payment of US\$50,000 (\$50,260) pursuant to the first addendum to the Minas de Pinto Agreement.

La Rosita Property

The La Rosita Property, a gold and silver prospect in which the Company has a 100% ownership interest, is located within the Deseado Massif and the Area of Special Mining Interest of Santa Cruz Province.

San Antonio Property

The San Antonio Property, a prospect in which the Company has a 100% ownership interest, is located within the Deseado Massif and the Area of Special Mining Interest of Santa Cruz Province.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

6. Mineral Properties (continued)

Summary of Property Agreement Payments

The following chart details the agreed payments to be met before the exercise of the above options (all amounts are in United States Dollars):

<u>Staggered payments</u>	<u>Year</u>	<u>Brechas Vacas</u>	<u>Minas de Pinto</u>	<u>Total</u>	<u>Brechas Vacas</u>
<u>Payable in:</u>			<u>Cash</u>		<u>Shares</u>
	2013	\$ 100,000	\$ 125,000	\$ 225,000	40,000
	2014	140,000	75,000	215,000	40,000
	2015	170,000	150,000	320,000	60,000
	2016	200,000	150,000	350,000	80,000
	2017	-	-	-	-
Total staggered payments		610,000	500,000	1,110,000	220,000

<u>Option payments</u>	<u>Year</u>	<u>Brechas Vacas</u>	<u>Minas de Pinto</u>	<u>Total</u>	<u>Brechas Vacas</u>
<u>Payable in:</u>			<u>Cash</u>		<u>Shares</u>
	2017	535,000	1,335,000	1,870,000	535,000
Total property payments		\$ 1,145,000	\$ 1,835,000	\$ 2,980,000	755,000

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

7. Issued Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares, issuable in series.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

8. Warrants

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
Balance - January 1, 2013 and March 31, 2013	<u>16,325,133</u>	<u>\$ 1,731,900</u>	<u>\$ 0.56</u>

As at March 31, 2013, the following Warrants were issued and outstanding:

<u>Exercise Price</u>	<u>Warrants Outstanding</u>	<u>Remaining Contractual Life (Years)</u>	<u>Expiry Date</u>
\$ 0.60	13,772,500	0.11	May 10, 2013
\$ 0.35	<u>2,552,633</u>	<u>1.21</u>	June 18, 2014
	<u>16,325,133</u>	<u>0.28</u>	

Subsequent to the period ended March 31, 2013, 13,772,500 warrants expired unexercised.

9. Broker Warrants

	<u>Number</u>	<u>Amount</u>	<u>Weighted Average Exercise Price</u>
Balance - January 1, 2013 and March 31, 2013	<u>919,900</u>	<u>\$ 137,985</u>	<u>\$ 0.40</u>

As at March 31, 2013, the following Broker Warrants were issued and outstanding:

- 919,900 Warrants entitling the holder to purchase one Private Placement Unit of the Company at \$0.40 per Private Placement Unit at any time on or before May 10, 2013.

Subsequent to the period ended March 31, 2013, the Broker Warrants expired unexercised.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

10. Stock Option Plan

On November 29, 2011 a new form of stock option plan (the "2011 Plan") was approved by the shareholders at the annual and special meeting of shareholders held that day. The 2011 Plan is a rolling stock option plan. Options to purchase up to 10% of the total number of Company Shares issued and outstanding at the date of any grant are issuable pursuant to the 2011 Plan. The 2011 Plan is a rolling plan as the number of options which may be granted pursuant to the 2011 Plan will increase as the number of the Company's shares, which are issued and outstanding, increases. If an option expires or is otherwise terminated for any reason, the number of the Company's shares in respect of that expired or terminated option shall again be available for the purposes of the 2011 Plan. Pursuant to the policies of the Exchange, the shareholders of the Company are required to approve on a yearly basis stock option plans which have a rolling plan ceiling. Options issued under the 2011 Plan are non-assignable and non-transferable and may be granted for a term not exceeding ten years. The 2011 Plan is administered by the Company's board of directors (the "Board of Directors") or a committee established by the Board of Directors for that purpose (the "Committee"). The 2011 Plan may be amended, subject to applicable regulatory and shareholder approval, or terminated by the Board of Directors or the Committee at any time, but such amendment or termination will not alter the terms or conditions of any option awarded prior to the date of such amendment or termination. Any option outstanding when the 2011 Plan is amended or terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the 2011 Plan. The 2011 Plan provides that other terms and conditions, including vesting provisions, may be attached to a particular stock option at the discretion of the Board of Directors or the Committee, provided that, if required by any stock exchange on which the shares of the Company trades, options issued to consultants which provide investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three-month period. All option grants are to be evidenced by the execution of an option agreement between the Company and the optionee which shall give effect to the provisions of the 2011 Plan. Options may be granted under the 2011 Plan only to directors, officers, employees and other service providers of the Company subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Company's shares may be listed or may trade from time to time.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

10. Stock Option Plan (continued)

The aggregate number of the Company's shares which may be reserved for issuance to any one individual under the 2011 Plan within any 12 month period shall not exceed 5% of the Company's shares issued and outstanding at the date of the grant (on a non-diluted basis). Further, the aggregate number of the Company's shares which may be reserved for issuance under the 2011 Plan: (a) to any consultant to the Company shall not exceed 2% of the number of the Company's shares issued and outstanding on the date of the grant (on a non-diluted basis) and (b) to all employees or consultants who provide investor relations activities shall not exceed 2% of the number of the Company's shares issued and outstanding on the date of the grant (on a non-diluted basis). In the event an optionee ceases to be a service provider or employee of the Company (other than by reason of death), the vested stock options will expire on the earlier of the expiry date stated in the option agreement executed in respect of such grant and one year following the date of termination. In the event of death of an optionee, all options will be automatically exercisable by the personal representatives of the optionee within, but only within, the period of one year next succeeding the optionee's death and prior to the expiry date of the option, whichever is sooner. The price at which an optionee may purchase a Company's share upon the exercise of an option will be as set forth in the option agreement executed in respect of such option and, in any event, will not be less than the market price of the Company's shares as of the date of the grant of the stock option (the "Grant Date") less any discounts from the market price allowed by the Exchange, subject to a minimum exercise price of \$0.10. The market price of the Company's shares means the closing price on the last trading day immediately preceding the Grant Date. The Company's shares will not be issued pursuant to options granted under the 2011 Plan until they have been fully paid for.

i) Movements in stock options during the period:

	Number of Options	Weighted Average Exercise Price
Balance - January 1, 2013 and March 31, 2013	3,795,000	\$ 0.37

ii) Stock options outstanding at the end of the period

Exercise Price	Options Vested	Options Unvested	Remaining Contractual Life (Years)	Expiry Date
\$ 0.40	3,060,000	-	3.19	June 9, 2016
\$ 0.40	168,750	56,250	3.57	October 26, 2016
\$ 0.19	255,000	255,000	4.38	August 17, 2017
	<u>3,483,750</u>	<u>311,250</u>	<u>3.37</u>	

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

11. Related Party Transactions and Balances

During the period ended March 31, 2013, the Company incurred the following related party transactions:

- i) Transactions
 - a) A total of \$35,000 was charged by the CEO of the Company.
 - b) A total salary of \$10,676 was charged by an individual related to the Company's CEO.
 - d) A total of \$11,110 of accounting and regulatory compliance fees and \$6,000 of CFO fees was charged by an accounting firm in which the Company's CFO is a partner.
 - e) A total of \$23,625 was charged by the Company's Vice-President (Exploration). This amount has been capitalized to mineral properties.
 - f) The amount of stock-based compensation expense for the period ended March 31, 2013 related to the continued vesting of stock options issued to key members of management was \$3,490.
- ii) Period-end balances
 - a) As at March 31, 2013, accounts payable and accrued liabilities included \$16,037 payable to the CEO of the Company.
 - b) As at March 31, 2013, accounts payable and accrued liabilities included \$3,512 payable to an individual related to the Company's CEO.
 - c) As at March 31, 2013, accounts payable and accrued liabilities included \$29,280 payable to an accounting firm in which the Company's CFO is a partner.
 - d) As at March 31, 2013, accounts payable and accrued liabilities included \$8,023 payable to the Company's Vice-President (Exploration).

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

12. Commitments

- a) On December 21, 2010 MSA entered into an exploration and drilling framework agreement with a drilling contractor (the "Contractor"), under which the Contractor agreed to make available to MSA the equipment, machinery and workforce necessary to drill up to a total amount of 6,000 metres in the mining properties to be identified by MSA. MSA has already made an advance payment of \$224,628 (the "Advance Payment"). The Advance Payment shall be proportionally offset with any invoices issued by the Contractor. As at March 31, 2013, the Company has drilled 3,360 metres and the outstanding balance of the advance payment has been reduced to \$61,504.

Minsud Resources Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2013

Unaudited - see Notice to Reader

(All Amounts in Canadian Dollars Unless Otherwise Noted)

12. Commitments (continued)

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

On January 30, 2013, the Company entered into a new services agreement with its President and CEO with the same compensation terms and change of control provisions as the original services agreement discussed above. The new services agreement continues in effect until June 30, 2013 and can be extended by the Company pursuant to the same terms and conditions. The President and CEO can terminate the agreement without consequence by giving 90 days previous notice to the Company and MSA.

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

On February 3, 2013, the Company entered into a new consulting agreement with the Company's Vice-President (Exploration) containing similar compensation terms to the consulting agreement discussed above. The new consulting agreement shall be for a period of six months expiring June 30, 2013, and can be terminated by either party at any time by providing 60 days advance notice to the other party.

Additional commitments are disclosed in note 6.

13. Subsequent Events

Subsequent events are disclosed in notes 6, 8 and 9.