
Condensed Interim Consolidated Financial Statements

Minsud Resources Corp.

(formerly Rattlesnake Ventures Inc.)

For the Nine Months Ended September 30, 2011

Unaudited

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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. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Consolidated Statement of Comprehensive Loss

For the Periods Ended September 30, 2011 and 2010

Unaudited - see Notice to Reader

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September</u>	<u>September</u>	<u>September</u>	<u>September</u>
	<u>30, 2011</u>	<u>30, 2010</u>	<u>30, 2011</u>	<u>30, 2010</u>
Expenses				
General and administrative	\$ 14,471	\$ 82,600	\$ 173,148	\$ 165,946
Professional and regulatory fees	95,488	-	227,944	-
Stock-based compensation (note 10)	131,323	-	305,526	-
Transaction costs	-	-	1,421,458	-
Less:				
Interest income	(4,704)	(4,473)	(7,640)	(4,621)
Net Loss for the Period	(236,578)	(78,127)	(2,120,436)	(161,325)
Other Comprehensive Income				
(Loss)				
Currency translation adjustment	183,447	(16,569)	44,303	(173,435)
Comprehensive Loss for the period	\$ (53,131)	\$ (94,696)	\$ (2,076,133)	\$ (334,760)
Loss per Share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.08)	\$ (0.01)
Weighted Average Number of Common Shares				
Outstanding - basic and diluted	34,633,000	15,339,580	25,355,868	12,990,136

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

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Consolidated Statement of Financial Position as at September 30, 2011

Unaudited - see Notice to Reader

(See note 2 - Basis of Presentation and Going Concern)

	September 30, 2011	December 31, 2010 (Audited)
Assets		
Non-Current Assets		
Advances	\$ 133,581	\$ 224,628
Mineral Properties (note 6)	3,286,736	1,575,723
Property and Equipment (note 5)	78,117	15,185
	<u>3,498,434</u>	<u>1,815,536</u>
Current Assets		
Cash and cash equivalents	3,544,245	134,780
Prepaid expenses and deposits	3,527	54,078
Other receivables	105,498	-
	<u>3,653,270</u>	<u>188,858</u>
	<u>\$ 7,151,704</u>	<u>\$ 2,004,394</u>
Shareholders' Equity		
Issued Capital (notes 1 and 7)	\$ 7,967,053	\$ 3,470,805
Contributed Surplus (notes 1 and 10)	2,081,988	56,843
Cumulative Translation Reserve	(492,616)	(550,011)
Deficit	(3,104,842)	(1,016,987)
Equity Attributable to Shareholders of the Corporation	<u>6,451,583</u>	<u>1,960,650</u>
Non-Controlling Interest (note 1)	108,716	-
	<u>6,560,299</u>	<u>1,960,650</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	563,901	21,340
Other liabilities	27,504	22,404
	<u>591,405</u>	<u>43,744</u>
	<u>\$ 7,151,704</u>	<u>\$ 2,004,394</u>

Business of the Corporation and Qualifying Transaction (note 1)

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

Approved on behalf of the Board of Directors

Signed "Carlos A. Massa", Director

Signed "Scott White", Director

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Consolidated Statement of Changes in Equity

For the Nine Months Ended September 30, 2011 and 2010

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	Number of Common Shares	Issued Capital	Contributed Surplus	Currency Translation Reserve	Non- Controlling Interest	Deficit	Total Equity
Balance at January 1, 2011	10,852,000	\$ 3,470,805	\$ 56,843	\$ (550,011)	\$ -	\$(1,016,987)	\$ 1,960,650
Effects of Qualifying Transaction (note 1)	23,781,000	4,649,097	-	-	-	-	4,649,097
Stock option grant (note 10)	-	-	305,526	-	-	-	305,526
Warrants issued in connection with Qualifying Transaction (note 8)	-	-	1,583,174	-	-	-	1,583,174
Broker Warrants issued in connection with Qualifying Transaction (note 9)	-	-	137,985	-	-	-	137,985
Loss for the period	-	-	-	-	-	(2,120,436)	(2,120,436)
Other comprehensive loss for the period	-	-	-	44,303	-	-	44,303
Equity attributable to non-controlling interest (note 1)	-	(152,849)	(1,540)	13,092	108,716	32,581	-
Balance at September 30, 2011	34,633,000	\$ 7,967,053	\$ 2,081,988	\$ (492,616)	\$ 108,716	\$(3,104,842)	\$ 6,560,299

	Number of Common Shares	Issued Capital	Contributed Surplus	Currency Translation Reserve	Non- Controlling Interest	Deficit	Total Equity
Balance at January 1, 2010	8,000,000	\$ 2,720,271	\$ -	\$ (379,971)	\$ -	\$(787,110)	\$ 1,553,190
Shares issued for cash	2,852,000	750,534	56,843	-	-	-	807,377
Loss for the period	-	-	-	-	-	(161,325)	(161,325)
Other comprehensive loss for the period	-	-	-	(173,435)	-	-	(173,435)
Balance at September 30, 2010	10,852,000	\$ 3,470,805	\$ 56,843	\$ (553,406)	\$ -	\$(948,435)	\$ 2,025,807

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

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Consolidated Statement of Cash Flows

For the Periods Ended September 30, 2011 and 2010

Unaudited - see Notice to Reader

	Three Months Ended		Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Cash Provided By (Used In):				
Operating Activities				
Net loss	\$ (236,578)	\$ (78,127)	\$ (2,120,436)	\$ (161,325)
Items not affecting cash:				
Amortization	-	845	1,808	2,420
Transaction costs	-	-	1,421,458	-
Stock-based compensation	131,323	-	305,526	-
Mineral property write-offs	-	5,755	-	5,755
	(105,255)	(71,527)	(391,644)	(153,150)
Net changes in non-cash working capital:				
Other receivables	(3,951)	57,832	(44,748)	(83,262)
Prepaid expenses	815	-	(2,585)	-
Accounts payable and accrued liabilities	(213,435)	9,944	(564,254)	13,826
Other liabilities	(18,565)	11,264	5,100	15,168
	(340,391)	7,513	(998,131)	(207,418)
Financing Activities				
Issuance of share capital	-	412,636	-	807,377
Cash acquired upon completion of Qualifying Transaction	-	-	5,658,434	-
Due from shareholder	-	-	46,774	-
	-	412,636	5,705,208	807,377
Investing Activities				
Mineral property expenditures	(565,007)	(178,410)	(1,217,506)	(353,586)
Purchase of property and equipment	(68,607)	(547)	(80,106)	(547)
	(633,614)	(178,957)	(1,297,612)	(354,133)
Change in Cash and Cash Equivalents	(974,005)	241,192	3,409,465	245,826
Cash and Cash Equivalents				
- Beginning of Period	4,518,250	9,556	134,780	4,922
Cash and Cash Equivalents				
- End of Period	\$ 3,544,245	\$ 250,748	\$ 3,544,245	\$ 250,748
Supplemental Cash Flow Information				
Interest received	\$ 4,704	\$ -	\$ 7,640	\$ -
Significant Non-Cash Transactions Not Disclosed Above				
Broker Warrants issued for private placement commissions	\$ -	\$ -	\$ 137,985	\$ -

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

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Notes to the Consolidated Financial Statements

For the Nine Months Ended September 30, 2011

Unaudited - see Notice to Reader

1. Business of the Corporation and Qualifying Transaction

Minsud Resources Corp. (the "Corporation") 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. The Corporation was formerly a "Capital Pool Company" ("CPC"), as that term is defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Corporation had secured equity financing in 2008 with which it intended to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval (a "Qualifying Transaction").

These consolidated financial statements include the accounts of the Corporation, 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.

On December 24, 2010, the Corporation entered into a Letter of Intent with Minsud Resources Inc. ("MSR"), as amended on February 2, 2011, that set out the basic terms and conditions pursuant to which it was intended that the Corporation and MSR would complete a business combination (the "Minsud Transaction"). On April 27, 2011, each of the Corporation, MSR, MSA entered into a Definitive Transaction Agreement to effect the Minsud Transaction (the "Definitive Agreement"). The Definitive Agreement provided the mechanism to effect the Minsud Transaction. Pursuant to the terms of the Definitive Agreement, on May 10, 2011, the Corporation acquired all of the issued and outstanding MSR shares by way of a three-cornered amalgamation, which meant the amalgamation of MSR and the Corporation's wholly-owned subsidiary, 1830835 Ontario Inc., to form Minsud Argentina Inc. ("Amalco"). As a result of the amalgamation, all of the MSR shares were exchanged for an equal amount of the Corporation's shares. In consideration of the issue by the Corporation of the Corporation's shares to the former MSR shareholders, Amalco issued to the Corporation one Amalco share for each Corporation share issued to the MSR shareholders. The Corporation also received one Amalco share in exchange for each issued and outstanding share of 1830835 Ontario Inc. held by the Corporation. As a result of the foregoing, Amalco became a wholly-owned subsidiary of the Corporation. Approval for the amalgamation was obtained from each of the Corporation and MSR shareholders by way of a written resolution prior to the closing of the Minsud Transaction. Although the Minsud Transaction resulted in MSR becoming a wholly-owned subsidiary of the Corporation, the Minsud Transaction constituted a reverse take-over of the Corporation inasmuch as the former shareholders of MSR, together with the subscribers in the Brokered Private Placement, as discussed below, became owners of a majority of the outstanding shares of the Corporation. In accordance with the Definitive Agreement, and as approved by the shareholders of the Corporation, the name of the Corporation was changed to "Minsud Resources Corp." and the issued and outstanding the Corporation shares were consolidated on a 2 pre-consolidated for 1 post-consolidated basis (the "Consolidation"). Both these changes took effect on the filing of articles of amendment on the date of closing the Minsud Transaction.

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Notes to the Consolidated Financial Statements

For the Nine Months Ended September 30, 2011

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1. Business of the Corporation and Qualifying Transaction (continued)

Prior to the closing of the Minsud Transaction, all of the 511,000 outstanding stock options of the Corporation were exercised for proceeds of \$51,100. Upon effecting the Consolidation and after the exercise of all the outstanding stock options of the Corporation, the Corporation had 2,810,500 shares outstanding and issued an additional 31,822,500 Corporation shares in connection with the Definitive Agreement. At the time of the completion of the Minsud Transaction, the fair value of the 2,810,500 issued and outstanding shares of the Corporation exceeded their stated value by \$450,042. This excess has been expensed as a transaction cost. In total, the Corporation has 34,633,000 common shares issued and outstanding on a post-Consolidation basis upon the completion of the Minsud Transaction.

The Minsud Transaction is the Qualifying Transaction of the Corporation pursuant to Policy 2.4 of the Exchange and final approval from the Exchange for the Qualifying transaction was received on May 20, 2011. Minsud is a Tier 2 Mining Issuer pursuant to the requirements of the Exchange. The Minsud Transaction was an arm's length transaction.

MSR was a private company headquartered in Toronto, Ontario, and was incorporated on August 12, 2010 under the Business Corporations Act (Ontario). Prior to the completion of the Minsud Transaction, MSR entered into a definitive agreement with the shareholders of MSA, as a result of which the shareholders of MSA exchanged, prior to the closing date, a sufficient amount of their shares of MSA, which amounted to a total of 10,852,000 shares, for shares of MSR so that after the completion of such exchange, MSR became the owner of 10,309,400 (95%) of the total number of issued and outstanding shares of MSA (the "MSA Swap"). Upon completion of the MSA Swap, the Corporation 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 at the same ratio used for the MSA Swap (790,000 common shares of the Corporation) at the option of either party. Prior to the closing of the Minsud transaction, MSA was controlled by Compania de Tierras Sud Argentina S.A. ("CTSA") which is a private subsidiary (incorporated in Argentina) wholly-owned by the Benetton family through private Italian holding companies.

On May 16, 2011, MAI subscribed for an additional 9,148,000 common shares of MSA for consideration of \$2,169,377. Following this transaction, MAI's ownership of MSA increased to 19,457,400 of the 20,000,000 issued and outstanding common shares, representing an ownership percentage of 97.3%.

The Corporation issued 18,050,000 of the Corporation's shares to MSR in exchange for 100% of MSR's issued and outstanding shares. Following the share exchange and the Brokered Private Placement, described further below, approximately 20% of MSR was owned by CTSA at closing. Continuing Corporation shareholders own approximately 8% of MSR at closing.

The Corporation was granted by the Exchange an exemption from the sponsorship requirements in connection with the Minsud Transaction. Trading in the Corporation's common shares was halted or suspended from August 24, 2010 to May 24, 2011 but on May 25, 2011, trading in the Corporation's shares resumed on the Exchange.

The Corporation held a Special Meeting of its Shareholders on March 18, 2011 to address matters requiring shareholder approval to advance the Minsud Transaction. All required shareholder approvals requested were obtained.

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Notes to the Consolidated Financial Statements

For the Nine Months Ended September 30, 2011

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1. Business of the Corporation and Qualifying Transaction (continued)

The Minsud Transaction was completed contemporaneously with a brokered equity offering (the "Brokered Offering"). Portfolio Strategies Securities Inc. ("PSSI") had executed a preliminary agreement, which was subject to satisfactory due diligence, and on March 4, 2011 a formal agency agreement was completed (the "Agency Agreement") which documented the agreement of PSSI to act as agent for and on behalf of the Corporation pursuant to the Brokered Offering to raise, on a commercially reasonable efforts basis, gross proceeds of \$5,000,000 from the sale of units (the "Private Placement Units") at a price of not less than \$0.40 per Private Placement Unit. On April 7, 2011, an Amended and Restated Agency Agreement was entered into to increase the gross proceeds to \$5,509,000. Each Private Placement Unit consists of one common share and one non-transferable common share purchase warrant (a "Warrant"), with each Warrant entitling the holder thereof to purchase one additional common share at \$0.60 per common share for a period of 24 months from the date of the Minsud Transaction. PSSI received a cash commission equal to 8% of the gross proceeds received from the sale of the Private Placement Units as well as Broker Warrants to acquire that number of Private Placement Units equal to 8% of the number of Private Placement Units sold under the Brokered Offering. The Agency Agreement contemplated certain adjustments to the commission rate and the number of Broker Warrants to be granted. These Broker Warrants will have a price equal to the price of the Private Placement Units. PSSI also received reimbursement for its reasonable out-of-pocket fees and expenses in connection with the Brokered Offering and a \$25,000 work and success fee.

On March 4, 2011, the Brokered Offering was partially closed with the first tranche of \$3,700,000 received for subscriptions of 9,250,000 Private Placement Units, of which \$1,202,500 was allocated to Warrants. The second tranche of the Brokered Offering closed on April 7, 2011 with \$1,809,000 received for subscriptions of 4,522,500 Private Placement Units, of which \$587,925 was allocated to Warrants. In total, 13,772,500 Private Placements Units were issued pursuant to the Brokered Offering for gross proceeds of \$5,509,000, of which \$3,718,575 was allocated to share capital and \$1,790,425 was allocated to Warrants (see note 8). Both tranches closed in escrow with the funds released to MSR on closing of the Minsud Transaction. Pursuant to the Agency Agreement, the Corporation paid cash commissions of \$367,960 and issued 919,900 Broker Warrants with a fair value of \$137,985 to PSSI upon the close of the Brokered Offering. Total issuance costs incurred by the Corporation in connection with the Brokered Offering were \$645,564, including the fair value of the Broker Warrants of \$93,140 (see note 9), of which \$207,251 was allocated to Warrants.

The proceeds from the Brokered Offering will be used by the Corporation for exploration of the MSA properties and general working capital requirements. Additional amounts were allocated for costs required to complete the Minsud Transaction and for unallocated working capital. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Corporation to achieve its business objectives.

Upon completion of the transaction, the former shareholders of MSA became the controlling shareholders of the Corporation. For accounting purposes, MSA is the deemed acquirer and MSR and the Corporation the deemed acquired companies, and accordingly, MSA's balances are accounted for at cost and MSR and the Corporation are accounted for at fair value. Since the operations of MSR and the Corporation do not constitute a business, this transaction has been accounted for as a reverse takeover that is not a business combination. Therefore, the share capital and deficits of MSR and the Corporation as at May 10, 2011 (the "Acquisition Date") will be eliminated, the consideration transferred by MSR will be allocated to share capital, the transaction costs will be expensed and \$104,320 will be allocated to non-controlling interest.

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Notes to the Consolidated Financial Statements

For the Nine Months Ended September 30, 2011

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1. Business of the Corporation and Qualifying Transaction (continued)

The Acquisition-Date fair value of the consideration transferred by the Corporation for its interest in MSR is based on the number of equity interests MSR would have had to issue to give the owners of the Corporation the same percentage equity interest in the combined entity that results from the transaction described above. The fair value of the number of equity interests calculated in that way is used as the fair value of consideration transferred in exchange for MSR. An adjustment has been booked to adjust the fair market value of the Corporation's equity interest in MSR accordingly.

The effects of the Qualifying Transaction on the Corporation's issued capital is as follows:

Issued Capital	Number	Amount
Common shares of MSA outstanding at May 10, 2011	10,852,000	\$ 3,470,805
Common shares of the Corporation outstanding at May 10, 2011	5,110,000	388,696
Exercise of Corporation stock options	511,000	51,100
Reduction of Corporation shares - post consolidation	(2,810,500)	-
Elimination of the Corporation's share capital at historical cost	-	(439,796)
To record the FMV of shares issued to the Corporation's shareholders	-	758,835
Common shares of MSR outstanding at May 10, 2011	2,550,000	510,000
Elimination of MSR share capital at historical cost	-	(510,000)
To record the FMV of shares issued to MSR's shareholders	-	510,000
Common shares issued in conjunction with a consulting services agreement	500,000	100,000
Non-controlling interest (2.71%) of MSA	(542,600)	(152,849)
Common shares of the Corporation issued upon completion of Brokered Offering (\$0.40)	13,772,500	3,718,575
Share issuance costs pertaining to the Brokered Offering	-	(345,173)
Share issuance costs pertaining to the fair value of Broker Warrants	-	(93,140)
Issuance of additional shares of MSR to the shareholders of MSA	4,690,600	-
Balance at September 30, 2011	<u>34,633,000</u>	<u>\$ 7,967,053</u>

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

Condensed Interim Notes to the Consolidated Financial Statements

For the Nine Months Ended September 30, 2011

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2. Basis of Presentation and Going Concern

a) Statement of Compliance

The Corporation'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 audited financial statements of Minera Sud Argentina S.A. for the year ended December 31, 2010, which has been 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 audited financial statements of Minera Sud Argentina S.A. for the year ended December 31, 2010 and the audited financial statements of the Corporation for the year ended March 31, 2011.

The comparative figures shown throughout these condensed interim consolidated financial statements are the historical results of Minera Sud Argentina S.A.

b) Going Concern

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

The Corporation'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 Corporation 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 Corporation be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Corporation's assets and liabilities at liquidation values could be material to these financial statements.

3. Significant Accounting Policies

The accounting policies are consistent with those of the annual financial statements of Minera Sud Argentina S.A. for the year ended December 31, 2010.

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Condensed Interim Notes to the Consolidated Financial Statements

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4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim 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 condensed interim 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 Corporation 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 Corporation's functional currency.

Management has determined that judgments, estimates and assumptions reflected in these condensed interim financial statements are reasonable. The Corporation's functional and reporting currency is the Canadian Dollar.

5. Property and Equipment

As at September 30, 2011	Office			Total
	Vehicles	Equipment	Other	
Cost				
Balance, beginning of period	\$ 47,869	\$ 14,921	\$ 1,788	\$ 64,578
Additions	74,381	4,395	1,330	80,106
Currency translation adjustments	(68)	(2)	(20)	(90)
Balance, end of period	122,182	19,314	3,098	144,594
Accumulated depreciation				
Balance, beginning of period	(38,298)	(10,366)	(729)	(49,393)
Depreciation	(13,984)	(2,627)	(309)	(16,920)
Currency translation adjustments	(179)	19	(4)	(164)
Balance, end of period	(52,461)	(12,974)	(1,042)	(66,477)
Net carrying amount as at September 30, 2011	\$ 69,721	\$ 6,340	\$ 2,056	\$ 78,117

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

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5. Property and Equipment (continued)

As at September 30, 2010	Office			Total
	Vehicles	Equipment	Other	
Cost				
Balance, beginning of period	\$ 52,665	\$ 14,578	\$ 1,967	\$ 69,210
Additions	-	547	-	547
Currency translation adjustments	(4,796)	(1,327)	(179)	(6,302)
Balance, end of period	47,869	13,798	1,788	63,455
Accumulated depreciation				
Balance, beginning of period	(31,601)	(8,121)	(424)	(40,146)
Depreciation	(7,555)	(2,149)	(271)	(9,975)
Currency translation adjustments	3,252	846	52	4,150
Balance, end of period	(35,904)	(9,424)	(643)	(45,971)
Net carrying amount as at September 30, 2010	\$ 11,965	\$ 4,374	\$ 1,145	\$ 17,484

6. Mineral Properties

As at September 30, 2011	San Juan Province Chita Valley			Santa Cruz Province			TOTAL
	Brechas Vacas	Chita	Minas de Pinto	San Antonio	La Rosita	Other	
Balance, beginning of period	\$ 930,080	\$ 330,558	\$ 63,697	\$ 145,873	\$ 98,496	\$ 7,019	\$ 1,575,723
Property rights/exploration agreements	207,748	44,664	-	194	-	8,172	260,778
Exploration	551,069	661,080	11,994	29,565	141,460	10	1,395,178
Currency translation adjustments	23,780	27,002	(230)	(1,149)	5,369	285	55,057
Balance, end of period	\$1,712,677	\$1,063,304	\$ 75,461	\$ 174,483	\$ 245,325	\$ 15,486	\$ 3,286,736

As at September 30, 2010	San Juan Province Chita Valley			Santa Cruz Province			TOTAL
	Brechas Vacas	Chita	Minas de Pinto	San Antonio	La Rosita	Other	
Balance, beginning of period	\$ 748,091	\$ 304,855	\$ -	\$ 146,344	\$ 30,557	\$ 12,728	\$ 1,242,575
Property rights/exploration agreements	72,646	25,883	20,704	208	208	926	120,575
Exploration	139,429	18,341	16,993	10,772	12,388	-	197,923
Write-offs	-	-	-	-	-	(5,755)	(5,755)
Currency translation adjustments	(78,626)	(29,951)	(1,867)	(13,870)	(3,406)	(920)	(128,640)
Balance, end of period	\$ 881,540	\$ 319,128	\$ 35,830	\$ 143,454	\$ 39,747	\$ 6,979	\$ 1,426,678

Minsud Resources Corp. (formerly Rattlesnake Ventures Inc.)

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For the Nine Months Ended September 30, 2011

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6. Mineral Properties (continued)

Brechas Vacas Property

On September 7, 2007, the Corporation, through its subsidiary MSA, entered into an Exploration Agreement including a Purchase Option (the "Brechas Vacas Agreement") with the owners of the mining properties 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 owners granted to the Corporation the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Corporation's sole discretion. In addition to the exploration rights, the owners granted to the Corporation 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.

In exchange for the right to evaluate, prospect and explore the properties, the Corporation shall pay to the owners a series of staggered payments totalling US\$240,000 (\$263,568) within four years of the date of the Brechas Vacas Agreement, and which, as of December 31, 2010, had been paid in full.

Pursuant to the Brechas Vacas Agreement, the Corporation was required to spend a minimum of US \$600,000 on the properties within three years after executing the agreement. As at December 31, 2010 this obligation had been met.

On September 6, 2011, MSA exercised its option to purchase a 50% ownership interest in these properties for consideration of US\$210,000. The payment will be made concurrent to the transfer of 100% of the mining rights to a trust in which MSA will have a 50% beneficial interest. The trustee will be designated by MSA.

Pursuant to the exercise of the purchase option, the Corporation is entitled to increase its ownership interest in the properties to 75% as long as it contributes the funds required to produce a pre-feasibility study.

Pending favourable results of the pre-feasibility study, a Joint Venture Agreement will be executed and if the minority partner does not contribute in proportion to its interest and is diluted to less than a 10% interest on a lineal basis, the minority partner's interest shall turn into a 1.5% Net Smelter Return ("NSR"). The Corporation shall have the option to purchase a 0.75% NSR for consideration of US\$750,000.

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6. Mineral Properties (continued)

Chita Property

On September 28, 2006, the Corporation, 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 Corporation the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Corporation's sole discretion. In addition to the exploration rights, the owners granted to the Corporation an irrevocable and exclusive option to purchase a 100% ownership interest in these properties pursuant to certain terms and conditions stated in the Chita Agreement.

In exchange for the right to evaluate, prospect and explore the properties, the Corporation shall pay to the owners a series of staggered payments totalling US\$200,000 within seven years of the date of the Chita Agreement. As at September 30, 2011, the Corporation had paid US\$130,000 (\$135,563) related to seven instalments as required by the Chita Agreement.

If the purchase option relating to the mining properties described above were to be exercised, the Corporation would be required to make a payment of US\$350,000 at any time during the life of the agreement, but no later than August 31, 2014.

Pursuant to the Chita Agreement, the Corporation was required to spend US\$30,000 and US\$50,000 in the first and second years, respectively, after executing the agreement. As of September 30, 2011, these obligations have been met.

Minas de Pinto Property

On May 7, 2010, the Corporation, 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 Corporation the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Corporation's sole discretion. In addition to the exploration rights, the owners granted to the Corporation 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.

In exchange for the right to evaluate, prospect and explore the properties, the Corporation shall pay to the owners a series of staggered payments totalling US\$365,000 within four years of the date of the Minas de Pinto Agreement. As at September 30, 2011, the Corporation had paid US\$40,000 (\$ 40,866) related to the first and second instalments as required by the Minas de Pinto Agreement. Subsequent to September 30, 2011, MSA paid a further instalment of US\$75,000 in connection with the Minas de Pinto Agreement.

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6. Mineral Properties (continued)

Minas de Pinto Property (continued)

If the purchase option relating to the mining properties described above were to be exercised, the Corporation would be required to make a payment of US\$1,635,000 at any time during the life of the agreement, but prior to November 7, 2014.

La Rosita Property

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

Basic exploration completed at La Rosita Project confirms the existence of geology and mineralization favourable for epithermal gold-silver vein deposits similar in character and size to many of the other epithermal systems currently being exploited or developed in the Southern Patagonia region.

San Antonio Property

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

The geological model is a typical epithermal system with clear geothermal features characterizing a “hot spring” environment.

Summary of property commitments

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

Staggered payments	Year	Brechas Vacas	Chita	Minas de Pinto	Total
Cash	2011	\$ -	\$ -	\$ 75,000	\$ 75,000
	2012	-	30,000	100,000	130,000
	2013	-	40,000	150,000	190,000
Total staggered payments		-	70,000	325,000	395,000
Cash option payments	2014	-	350,000	1,635,000	1,985,000
Total property payments		\$ -	\$ 420,000	\$ 1,960,000	\$ 2,380,000

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7. Issued Capital

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

8. Warrants

	<u>Number</u>	<u>Amount</u>
Minsud Argentina Inc.		
Balance - January 1, 2011	-	\$ -
Issued for cash pursuant to Brokered Offering	13,772,500	1,790,425
Issuance costs	-	(207,251)
	<u>13,772,500</u>	<u>\$ 1,583,174</u>
Balance - May 10, 2011	<u>13,772,500</u>	<u>\$ 1,583,174</u>
Minsud Resources Corp.		
Balance - January 1, 2011	-	\$ -
Issued to shareholders of Minsud Argentina Inc.	13,772,500	1,583,174
	<u>13,772,500</u>	<u>\$ 1,583,174</u>
Balance - September 30, 2011	<u>13,772,500</u>	<u>\$ 1,583,174</u>

During the period ended September 30, 2011, Minsud Argentina Inc. issued 13,772,500 Warrants pursuant to the Brokered Offering as discussed in note 1. Each Warrant entitles the holder thereof to purchase one additional common share at \$0.60 per common share for a period of 24 months from the date of the Minsud Transaction. Upon completion of the Minsud Transaction, the Warrants issued by Minsud Argentina Inc. were automatically cancelled and exchanged for Warrants of Minsud Resources Corp. bearing the same terms and conditions.

The fair value of the Warrants was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.25%
Expected life	2 years
Expected volatility	125%

Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Corporation's warrants.

As at September 30, 2011, the following Warrants were issued and outstanding:

- a) 13,772,500 Warrants entitling the holder to purchase one common share of the Corporation at \$0.60 per share at any time on or before May 10, 2013.

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9. Broker Warrants

	<u>Number</u>	<u>Amount</u>
Minsud Argentina Inc.		
Balance - January 1, 2011	-	\$ -
Issued pursuant to Brokered Offering	<u>919,900</u>	<u>137,985</u>
Balance - May 10, 2011	<u>919,900</u>	<u>\$ 137,985</u>
Minsud Resources Corp.		
Balance - January 1, 2011	-	\$ -
Issued to agent of Minsud Argentina Inc.	<u>919,900</u>	<u>137,985</u>
Balance - September 30, 2011	<u>919,900</u>	<u>\$ 137,985</u>

During the period ended September 30, 2011, Minsud Argentina Inc. issued 919,900 Broker Warrants pursuant to the Brokered Offering as discussed in note 1. Each Broker Warrant entitles the holder thereof to purchase one Private Placement Unit at \$0.40 per Private Placement Unit for a period of 24 months from the date of the Minsud Transaction. Each Private Placement Unit consists of one common share and one non-transferable Warrant, with each Warrant entitling the holder thereof to purchase one additional common share at \$0.60 per common share for a period of 24 months from the date of the Minsud Transaction. Upon completion of the Minsud Transaction, the Broker Warrants issued by Minsud Argentina Inc. were automatically cancelled and exchanged for Broker Warrants of Minsud Resources Corp. bearing the same terms and conditions.

The fair value of the Broker Warrants was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.25%
Expected life	2 years
Expected volatility	125%

The estimated fair value of the broker warrants was allocated as to \$93,140 to share issuance costs and \$44,845 to Warrants.

Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Corporation's warrants.

As at September 30, 2011, the following Broker Warrants were issued and outstanding:

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

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10. Stock Option Plan

On August 12, 2010 a new form of stock option plan (the "2010 Plan") was approved by the shareholders at the annual and special meeting of shareholders held that day. The 2010 Plan is a rolling stock option plan. Options to purchase up to 10% of the total number of Corporation Shares issued and outstanding at the date of any grant are issuable pursuant to the 2010 Plan. The 2010 Plan is a rolling plan as the number of options which may be granted pursuant to the 2010 Plan will increase as the number of the Corporation's shares which are issued and outstanding increases. If an option expires or is otherwise terminated for any reason, the number of the Corporation's shares in respect of that expired or terminated option shall again be available for the purposes of the 2010 Plan. Pursuant to the policies of the Exchange, the shareholders of the Corporation are required to approve on a yearly basis stock option plans which have a rolling plan ceiling. Options issued under the 2010 Plan are non-assignable and non-transferable and may be granted for a term not exceeding ten years. The 2010 Plan is administered by the Corporation's board of directors or a committee established by the Board of Directors for that purpose (the "Committee"). The 2010 Plan may be amended, subject to regulatory 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 2010 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 2010 Plan. The 2010 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 Corporation 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 Corporation and the optionee which shall give effect to the provisions of the 2010 Plan. Options may be granted under the 2010 Plan only to directors, officers, employees and other service providers of the Corporation subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Corporation's shares may be listed or may trade from time to time.

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10. Stock Option Plan (continued)

The aggregate number of the Corporation's shares which may be reserved for issuance to any one individual under the 2010 Plan within any 12 month period shall not exceed 5% of the Corporation's shares issued and outstanding at the date of the grant (on a non-diluted basis). The aggregate number of the Corporation's shares which may be reserved for issuance to insiders of the Corporation under the 2010 Plan, any other employee stock option plans of the Corporation or any other options for services granted by the Corporation shall not exceed 10% of the number of the Corporation's shares outstanding on the date of the grant (on a non-diluted basis). Further, the aggregate number of the Corporation's shares which may be reserved for issuance under the 2010 Plan, any other employee stock option plans of the Corporation or any other options for services granted by the Corporation within a 12 month period: (a) to insiders shall not exceed 10% of the number of the Corporation's shares issued and outstanding on the date of the grant (on a non-diluted basis); (b) to any insider shall not exceed 5% of the number of the Corporation's shares issued and outstanding on the date of the grant (on a non-diluted basis); (c) to any consultant to the Corporation shall not exceed 2% of the number of the Corporation's shares issued and outstanding on the date of the grant (on a non-diluted basis); and (d) to all employees or consultants who provide investor relations activities shall not exceed 2% of the number of the Corporation'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 of the Corporation (other than by reason of death), the stock option 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, the option will be exercisable by the personal representatives of the optionee within, but only within, the period of one year next succeeding the optionee's death. The price at which an optionee may purchase a Corporation'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 Corporation'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 Corporation's shares means the closing price on the last trading day immediately preceding the Grant Date or as otherwise determined in accordance with the terms of the 2010 Plan. The Corporation's shares will not be issued pursuant to options granted under the 2010 Plan until they have been fully paid for. The 2010 Plan received Exchange approval on May 10, 2011.

i) Movements in stock options during the period

	Number of Options	Weighted Average Exercise Price
Balance - January 1, 2011	-	\$ -
Options granted	3,360,000	0.40
Balance - September 30, 2011	3,360,000	\$ 0.40

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10. Stock Option Plan (continued)

i) Movements in stock options during the period (continued)

On June 9, 2011, the Corporation granted 3,360,000 stock options to directors, officers, employees and service providers. The options have an exercise price of \$0.40 per share and shall vest as follows: one-quarter on June 9, 2011, one-quarter on December 9, 2011, one-quarter on June 9, 2012 and one-quarter on December 9, 2012. The options have a term of five years.

The fair value of these options was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.21%
Expected life	5.0 years
Expected volatility	125%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Corporation's stock options.

ii) Stock options outstanding at the end of the period

Exercise Price	Options Vested	Options Unvested	Remaining Contractual Life (Years)	Expiry Date
\$ 0.40	840,000	2,520,000	4.69	June 09, 2016

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11. Related Party Transactions and Balances

During the period ended September 30, 2011, the Corporation incurred the following related party transactions:

i) Transactions

- a) A total of \$21,606 in office rent expense and other minor expenses was charged by CTSA.
- b) On June 7, 2011, the Corporation repaid 800,000 Argentine Pesos (approximately \$191,278) plus accrued interest and related expenses of 33,071 Argentine Pesos (approximately \$7,843) to CTSA in full settlement of the CTSA Borrowing Agreement.
- c) A total of \$141,510 was charged by the acting CEO of the Corporation. Included in this amount is a one-time bonus payment of \$75,000.
- d) A total of \$27,167 of accounting and regulatory compliance fees and \$9,333 of CFO fees was charged by an accounting firm in which the Corporation's CFO is a partner.

ii) Period-end balances

- a) As at September 30, 2011, accounts payable and accrued liabilities included \$93,519 payable to the acting CEO of the Corporation.
- b) As at September 30, 2011, accounts payable and accrued liabilities included \$22,500 payable to an accounting firm in which the Corporation's CFO is a partner.

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 meters 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 September 30, 2011, the Corporation has drilled 2,351 meters and the outstanding balance of the advance payment has been reduced to \$133,581.
- b) On July 1, 2011, the Corporation entered into a consulting services agreement for the provision of Qualified Person Services and geological consulting services. Pursuant to the consulting services agreement, the consultant will be paid a monthly retaining fee of 5,000 United States Dollars in exchange for ten Qualified Person working days and 500 United States Dollars per day for each extra day in which the consultant acts as a Qualified Person. The consulting services agreement automatically terminates on December 31, 2011, and can be terminated by either party, at any time, by sending a termination notice with at least 45 days notice prior to the purported date of termination to the other party.

Additional commitments are disclosed in note 6.

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13. Subsequent Events

- a) Subsequent to the period ended September 30, 2011, one of the Corporation's directors resigned, resulting in the cancellation of 225,000 stock options which had not vested at the date of resignation. The director has a period of one year following his resignation to exercise 75,000 stock options which had vested as of the date of his resignation.

- b) Subsequent to the period ended September 30, 2011, the Corporation granted 225,000 stock options to a director. The options have an exercise price of \$0.40 per share and shall vest as follows: one-quarter on October 26, 2011, one-quarter on April 26, 2012, one-quarter on October 26, 2012 and one-quarter on April, 2013. The options have a term of five years.

An additional subsequent event is disclosed in note 6.