HUNT MINING CORP

Management's Discussion and Analysis
Years ended December 31, 2012 and 2011
April 23, 2013

The following discussion and analysis should be read in conjunction with the financial statements of Hunt Mining Corp. (the "Company") for the year ended December 31, 2012 and all of the notes, risk factors and information contained therein.

The audited annual financial statements for the year ended December 31, 2012 and 2011 have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"),

Introduction

This management discussion and analysis ("MD&A") is dated April 23, 2013 and is in respect of the year ended December 31, 2012. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian funds.

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with its annual audited consolidated financial statements and related notes for the year ended December 31, 2012. This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward-Looking Information".

Forward Looking Information

This MD&A contains "forward-looking information" and "forward-looking statements" (together, "forward looking statements") within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company's exploration and development activities; the Company's ongoing drilling program; the Company's future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors and assumptions include, amongst others, the effects of general economic conditions, the supply and demand for gold and the level and volatility of prices of gold, the availability of financing to fund the Company's ongoing and planned exploration and possible future mining operation on reasonable terms, changing foreign exchange rates and actions by government authorities, market competition, risks involved in mining, processing, exploration and research and development activities, the political climate in Argentina, the Company's ongoing relations with its employees and with local communities and local governments, and uncertainties associated with legal proceedings and negotiations and misjudgments in the course of preparing forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

• risks related to the Company's lack of revenues from operations and its continued ability to fund ongoing and planned exploration and possible future mining operations;

• risks related to the Company's history of losses, which will continue to occur in the future;

• risks related to governmental regulations;

• risks related to the uncertainty of the Company's ability to attract and retain qualified management;

• risks related to the Company's ability to successfully establish mining operations or profitably produce precious metals;

• volatility in the market price of gold, silver and other minerals which could affect the profitability of possible future operations and financial condition;

• risks related to currency volatility;

• risks related to the inherently dangerous activity of mining, including conditions or events beyond the Company's control;

• risks related to the Company's primary properties being located in Argentina, including political, economic, and regulatory instability;

• uncertainty as to actual capital costs, operating costs, production and economic returns relating to potential mining operations;

• uncertainty in the Company's ability to obtain and maintain certain permits necessary for current and anticipated operations;

• risks related to the Company being subject to environmental laws and regulations;

• risks related to land reclamation requirements and loss of the Bajo Pobré property due to inability to meet contractual obligations;

• risks related to the Company's ability to attract necessary capital funding for mineral exploration in the future;

• risks related to officers and directors being or becoming associated with other natural resource companies which may give rise to conflicts of interests; and

• the volatility of the Company's common share price.

This list is not exhaustive of the factors that may affect the Company's forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this MD&A under "Risk Factors". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward looking statements. Forward-looking statements are made based on management's experience, beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to

update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law.

Investors are cautioned against attributing undue certainty to forward-looking statements.

Overall Performance

The Company is a mineral exploration company incorporated under the laws of Alberta, Canada and, together with its subsidiaries, is engaged in the exploration of mineral properties in Santa Cruz province, Argentina.

After having secured funding late in 2010, the Company, during 2011, escalated exploration and evaluation activity on the La Josefina property. The Company focused its efforts on a drilling program designed to increase previously disclosed resources, as described in the latest National Instrument 43-101 compliant technical report relating to La Josefina, currently on file at SEDAR.

On February 27, 2012, the Company appointed Mr. Matthew Fowler as Chief Financial Officer and Secretary ("CFO") effective March 1, 2012. Ms. Vicki Streng resigned her position as Interim CFO and resumed her position as Controller.

On February 27, 2012, the Company granted 1,250,000 stock options at an exercise price of $0.30 per share to certain directors, officers and employees.

On March 27, 2012, the Company announced drill results from the 2011 La Josefina campaign. Detailed results of the La Josefina drilling program are included in the Company's website, www.huntmining.com.

On May 10, 2012, the Company signed an exploration agreement with Eldorado Gold Corp ("Eldorado") for precious metals exploration in Argentina.

On November 15, 2012 the Company signed an amendment with its partner, Fomicruz, on the La Josefina project in Santa Cruz Argentina. This amendment extends the time the Company has to develop the La Josefina project by six years, from 2013 to 2019. In addition to the signing of the extension, the Company also signed an agreement with Formicruz for the right to explore and develop the La Valenciana project, also in Santa Cruz, Argentina.

Eldorado Exploration Agreement Summary

Under the terms of the agreement, the Company's Argentine subsidiary Cerro Cazador S.A. ("CCSA") will be the operator for exploration and development on the Company's existing properties including twenty exploration concessions ("Cateos") and six discovery concessions ("Manifestations of Discovery") cumulatively totaling 2,013 square kilometers of prospective ground in the Deseado Massif, Santa Cruz province Argentina. The Company will also work to locate, submit, explore and develop new projects generated in the agreement area. Work programs, expenditures, and new submittals, under the agreement, will be considered for approval by a technical committee consisting of two representatives from the Company and two representatives from Eldorado. Upon approval, 100% of exploration expenditures will be paid by Eldorado, which has currently budgeted approximately $4.1 million over the next twelve months. The agreement did not incorporate the Company's flagship La Josefina project or the La Valenciana project in which the Company will retain all rights as prescribed in the arrangements between Fomicruz and CCSA.

Under the terms of the agreement, exploration for each project will be broken into three stages with all funding for the first two stages coming from Eldorado.

Stage I (reconnaissance exploration)

- Provides a 30 month period to evaluate projects before graduating to Stage II or being dropped from the agreement with CCSA retaining 100% interest.
- New Stage I projects, generated by the Company and accepted by Eldorado under the agreement, will require a onetime payment from Eldorado to CCSA of $125,000

Stage II (drilling, advanced exploration, preliminary economic assessment)

- Projects elected by Eldorado to advance to Stage II will require a onetime payment from Eldorado to CCSA of $200,000 plus annual payments on each project of $125,000

Stage III (JV formation, feasibility, development toward production)

- Projects advancing to stage 3 will require the formation of a joint venture entity (75% Eldorado and 25% Hunt Mining).
- Additionally, CCSA will also receive a onetime payment of $1,500,000 from Eldorado for each Stage III property.

The Company's Bajo Pobre Gold Project was designated as a Stage II project under the terms of the Exploration Agreement. Exploration plans for Bajo Pobre will include advanced drill target definition through structural mapping, detailed sampling and may also include additional geophysical analysis with planned drill testing in late 2013. On the Company's El Gateado project the plan is to re-evaluate past drilling and geologic interpretations with a goal of developing new drill targets and advancing it to Stage II status within the next twelve months. During 2012, the Company did not add any new projects to the agreement and did not advance any project from Stage II to Stage III.

Mineral Exploration Activity

Bajo Pobré

The Company has conducted cursory reconnaissance activities on the Bajo Pobré property. The Company has completed all lease payments to FK Minera but has not completed all the required work commitments relating to the Bajo Pobré property and is currently in negotiations to secure a contract amendment in this regard.

The Company completed detailed geological mapping, surface soil sampling and advanced drill targeting during 2012 on the Bajo Pobre project. The Company plans to drill the Bajo Pobre project in late 2013 or the first half of 2014.

La Josefina

During 2011, the Company drilled 203 core holes totaling 18,886 meters, collected 56 surface channel samples, and completed 85 trenches totaling 4,401 meters. All exploration expenditures were funded from working capital.

The Company suspended drilling operations late in 2011. During 2012, the Company conducted reconnaissance exploration on the La Josefina project while it worked to complete the negotiation of an amendment to the La Josefina agreement; this was completed and signed on November 15, 2012. During 2013 the Company plans to work on detailed target generation. The Company, under its new agreement with

Fomicruz has until 2019 to complete exploration work and make a decision to advance the project to production.

Additional details regarding the reconnaissance exploration and the recommended work programs relating to the La Josefina project are included in the Technical Report. Detailed results of the La Josefina drilling program are included in the Company's website, www.huntmining.com. The La Josefina property is the Company's most advanced exploration property.

La Valenciana

On November 15, 2012 the Company signed an agreement for the La Valenciana project in the province of Santa Cruz, Argentina. The agreement is with Fomento Minero De Santa Cruz Sociedad Del Estado ("Fomicruz"). The La Valenciana project lies to the west and is contiguous to Hunt's La Josefina project. The project is also contiguous to and north of the Joaquin Silver-Gold project.

The agreement with Fomicruz requires the Company to spend USD $5,000,000 in exploration on the project over 7 years. If Hunt elects to exercise its option to bring the La Valenciana project into production it must grant Fomicruz a 9% ownership in a new JV entity to be created by Hunt to manage the project. If Fomicruz elects to increase their ownership they can under the following formula up to a maximum of 49% interest.

- To purchase an additional 10% in the JV corporation, Fomicruz must reimburse Hunt for 10% of the exploration expenses made by Hunt during the exploration period;
- To purchase the next 10% interest in the JV corporation, Fomicruz must reimburse Hunt for 20% of the exploration expenses made by Hunt during the exploration period;
- To the purchase a final additional 20% interest in the JV Corporation, Fomicruz must reimburse Hunt for 25% of the exploration expenses made by Hunt during the exploration period; bring Fomicruz's total ownership interest in the JV Corporation to 49%.

At the Company's' option it can purchase the entire back in from Fomicruz for USD $200,000 per percentage point owned down to 9%. The remaining 9% can be purchased for a mutually agreed amount to be determined by negotiation between Fomicruz and the Company.

Other Projects:

The Company is presently engaged in reconnaissance exploration on several precious metal properties in its Santa Cruz portfolio.

Events Occurring Subsequent to the Close of the Year Ended December 31, 2012

On January 10, 2013, the Company announced details for the recently signed agreement with Fomicruz for the La Valenciana project in Santa Cruz Province, Argentina.

On January 15, 2013, the Company announced details for the recently signed amendment to its agreement with Fomicruz regarding the La Josefina project in Santa Cruz Province, Argentina.

On February 21, 2013, the Company announced exploration results from the La Valenciana project in Santa Cruz Province, Argentina.

On April 5, 2013 the Company received approval from the TSX to convert 20,881,493 preferred shares issued to HuntMountain and HuntMountain Investments into 20,881,493common shares of the Company. On April 10, 2013 the Company requested its transfer agent to complete the conversion and issue the restricted common shares.

Selected Financial Information

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

A summary of selected financial information for the most recent two fiscal years ended December 31, 2012 is as follows:

	Year ended	
	December 31, 2012	**December 31, 2011**
Net loss for the period	(4,172,082)	(8,280,161)
Net loss for the period – basic and diluted loss per share	($0.04)	($0.09)
Total assets	7,701,979	11,494,788
Total non-current liabilities	125,000	125,000
Cash dividends	-	-

The Company has chosen to expense its exploration and evaluation expenditures as incurred.

In the years ended December 31, 2012 and December 31, 2011 the Company incurred exploration expenses of $594,904 and $3,522,458, respectively. Primary components of exploration expenses in 2012 and 2011 are given in the following table:

	Years ended	
	December 31, 2012	**December 31, 2011**
Drilling expense	$ -	$ 2,556,007
Assay expense	122,461	356,161
Equipment rental expense	68,325	179,165
Fuel expense	159,310	128,180
Property payments	99,209	178,428
Property reports	10,120	807
Other	(88,900)	123,710
	$ 594,904	$ 3,522,458

The Company's overall exploration expenses were lower in 2012 compared to 2011 as the Company put on hold exploration drilling on its flagship La Josefina project as it worked to renegotiate its agreement on the project as well as secure the La Valenciana project.

There was no drilling in 2012. In the year ended December 31, 2011, the Company drilled 18,886 meters.

The Company recovered exploration and operating expenses from its exploration partner according to the following table:

	Years ended	
	December 31, 2012	**December 31, 2011**
Exploration expenses	$ 445,555	$ -
Professional fees	109,891	-
Administrative and office expenses	142,835	-
Payroll expenses	912,839	-
Travel expenses	183,946	-
Exploration cost recovery	$ 1,795,066	$ -

Exploration expenses were allocated to the Company's properties according to the following table:

	Years ended	
	December 31, 2012	**December 31, 2011**
La Josefina	$ 315,110	$ 3,153,132
Bajo Pobre	67,964	3,350
Other	211,830	365,975
	$ 594,904	$ 3,522,458

For the year ended December 31, 2012 the major components of Administrative and Office expenses were $104,716 on account of camp rent (as compared to $76,137 in 2011) and miscellaneous expense relating to the La Josefina project of $166,388 (as compared to $194,753 in 2011).

Results of Operations

Year ended December 31, 2012 as compared to the year ended December 31, 2011

For the year ended December 31, 2012 the Company generated a net loss of $4,172,082 or $0.04 per share, compared to a net loss of $8,280,161, or $0.09 per share, for the year ended December 31, 2011. The decreased net loss and net loss per share was mainly the result of the recovery of costs in Argentina from the Company's exploration partner and to a lesser extent from reduced exploration expense related to the Company's La Josefina project as well as reduced professional fees expense and reduced stock based compensation expense. These were partially offset by increased administration and office, payroll and travel expenses.

The Company generated interest income of $67,708 for the year ended December 31, 2012, down from $87,083 for the year ended December 31, 2011. The Company incurred net operating expenses of $3,770,429 for the year ended December 31, 2012, down from $7,837,644 for the year ended December 31, 2011. The decrease in the operating expenses in 2012 was a result of reduced exploration expenses and the Company putting on hold drilling on the La Josefina property and cost recovery factor.

The Company intends to continue exploration work on the La Josefina property in accordance with the Technical Report. Management believes that there are no exogenous factors that have caused the value of any of its mineral exploration properties to materially decrease since they were acquired.

Other assets include VAT receivable as of December 31, 2012 of $682,074. This amount reflects the VAT credit accrued due to the payment of VAT on certain transactions in Argentina. The Company plans to seek reimbursement on the VAT if and when the exploitation of minerals has commenced. This asset is reported at net present value on the Company's consolidated statement of financial position.

Summary of Quarterly Results

The quarterly results have been restated to reflect accounting policies consistent with IFRS.

	December 31, 2012 $	September 30, 2012 $	June 30, 2012 $	March 31, 2012 $
Net loss for the period	(1,470,203)	(616,845)	(337,654)	(1,747,380)
Net loss per share – basic and diluted:	(0.01)	(0.01)	(0.00)	(0.02)
Working capital	4,426,615	5,310,918	6,213,811	6,626,758
Total assets	7,701,979	8,787,759	9,580,255	9,928,496
Total non-current liabilities	125,000	125,000	125,000	125,000
Total shareholders' equity	6,639,883	8,144,485	8,909,186	9,131,729

	December 31, 2011 $	September 30, 2011 $	June 30, 2011 $	March 31, 2011 $
Net loss for the period	(2,311,841)	(1,848,875)	(2,445,107)	(1,674,338)
Net loss per share – basic and diluted:	(0.02)	(0.02)	(0.03)	(0.02)
Working capital	8,261,632	10,976,803	12,834,217	4,364,744
Total assets	11,494,788	13,867,665	15,903,911	6,733,913
Total non-current liabilities	125,000	125,000	125,000	125,000
Total shareholders' equity	10,628,859	13,048,100	14,617,572	5,965,661

The Company had an increase in its net loss for the three month period ended December 31, 2012 primarily due to an adjustment to the value of the Company's VAT; this reduced the value of the VAT by US$609,218 and to a lesser extent the settlement of the Company's rent obligation at its former office and year end audit expenses.

During the twelve month period ended December 31, 2012 the Company had a decrease in its net loss compared to the prior period as the Company recognized a reduction in the value of the carrying value of its VAT receivable, this resulted in the Company recognizing a large expense. To a lesser extent the Company also had more exploration activity during the period.

During the six month period ended June 30, 2012 the Company was able to significantly decrease its net loss for the period due to the signing of an exploration agreement with Eldorado Gold Corp "Eldorado". Because of this agreement the Company is now able to earn revenue from completing exploration activity on its projects on Eldorado's behalf. To a lesser extent the reduced net loss was also due to limited exploration activity on the Company's La Josefina project, which is not covered by the exploration agreement and overall reduced activity during the Argentine winter.

Capital Resources and Liquidity

The Company does not have any cash flow generating properties. As at December 31, 2012 the Company had $5,220,727 in cash and short term investments and working capital of $4,426,615. During the twelve month period 30% of all funds transferred by wire to CCSA from the Company are withheld by the Government of Argentina unless they are applied to a capital increase. These withheld amounts are deposited in non-interest bearing US dollar fixed term deposits until the Government of Argentina approves the Company's formal application for release. As at April 23, 2013, the Company had approximately $4.0 million in cash and short term investments.

Going Concern

The accompanying consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. The Company is an exploration stage company and has incurred losses since its inception. As shown in the accompanying consolidated financial statements, the Company has had no revenues and has incurred an accumulated loss of $28,496,195 through December 31, 2012. However, the Company has sufficient cash at December 31, 2012 to fund normal operations for the next 12 months.

The Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability to obtain necessary financing to complete development and fund operations and future production or proceeds from their disposition. Additionally, the current capital markets and general economic conditions in the United States and Canada are significant obstacles to raising the required funds. These factors raise doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. If the going concern basis was not appropriate for these consolidated financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

Transactions with Related Parties

During the year ended December 31, 2012, the Company paid $179,055 (2011 - $84,803) to HuntMountain Resources Ltd. ("HuntMountain"), an entity controlled by the Company's Executive Chairman, for the rental of office space. Of the $179,055, $84,291 relates to settlement of a lease break fee, of that $42,123 was applied to refundable deposit made to HuntMountain.

During the year ended December 31, 2012, the Company incurred $191,651 (2011 – $146,546) in professional fees expense relating to the services of the President of CCSA. Included in accounts payable and accrued liabilities as at December 31, 2012 was $14,999 (December 31, 2011 - $12,773) owing to the President of CCSA for professional geological fees. Included in prepaid expenses as at December 31, 2012, the Company had a receivable due from the President of CCSA for $45 (December 31, 2011 - $3,100) for cash advanced for field expenses.

During the year ended December 31, 2012, the Company incurred $31,075 (2011 – $27,502) in general and administrative expenses relating to rent paid for office space to the President of CCSA. Included in accounts payable and accrued liabilities as at December 31, 2012 was $2,754 (2011 – Nil) owing to the President of CCSA relating to rent paid for office space.

During the year ended December 31, 2012, the Company incurred $58,212 (2011 - $94,605) in professional fees expense relating to the accounting services of a director of CCSA. Included in accounts payable and accrued liabilities as at December 31, 2012, the Company had a payable owing to the director of CCSA of $6,098 (2011 – $5,027). Included in prepaid expenses as at December 31, 2012, the Company had a receivable due from the director of CCSA of $196 (2011 - $166) for cash advanced for miscellaneous expenses.

In conjunction with the Company's Qualifying Transaction, on December 23, 2009, the Company advanced $200,000 to HuntMountain, CCSA's former parent corporation, as a refundable deposit. As at the year ended December 31, 2012, the balance owed by HuntMountain to the Company was $114,408. The Company has contacted HuntMountain's management and has confirmed that a payment will be received by December 31, 2013, with the balance collected by December 31, 2014.

All related party transactions are in the normal course of business.

Remuneration of directors and key management of the Company

The remuneration awarded to directors and to senior key management, including the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Controller and the President of CCSA, is as follows:

	Years ended December 31, 2012	Years ended December 31, 2011
Salaries and benefits	$ 723,609	$ 444,717
Consulting fees	368,363	331,351
Share based compensation	294,421	332,729
	$ 1,386,393	$ 1,108,797

Off Balance Sheet Arrangements

As at December 31, 2012, the Company had no off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on results of operations or the financial condition of the Company.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and equivalents, accounts receivable, performance bond, accounts payable and accrued liabilities, shareholder loan and interest payable on shareholder loan.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and lowest priority to Level 3 inputs. Cash and equivalents and performance bond are measured and reported as Level 1.

Fair value

The fair value of financial instruments are summarized as follows:

	December 31, 2012		December 31, 2011	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial Assets				
FVTPL				
Cash and equivalents (Level 1)	5,220,727	5,220,727	8,840,000	8,840,000
Available for sale				
Performance bond (Level 1)	285,341	285,341	227,596	227,596
Loans and receivables				
Accounts receivable	44,722	44,722	64,364	64,364
Financial Liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	811,016	811,016	516,696	516,696

Financial risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and price risk.

i. Currency risk

The Company holds cash balances and incurs payables that are denominated in the Canadian Dollar, the United States Dollar and the Argentine Peso. These balances are subject to fluctuations in the exchange rate between the Canadian Dollar, and the United States Dollar and the Argentine Peso, resulting in currency gains or losses for the Company.

As at December 31, 2012, the following are denominated in US dollars:

Cash and equivalents	$ 12,034
Accounts payable and accrued liabilities	$ 71,172

As at December 31, 2012, the following are denominated in Argentine Peso:

Cash and equivalents	$ 675,090
Performance bond	$ 285,341
Accounts receivable	$ 28,396
Accounts payable and accrued liabilities	$ 504,257

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. A significant change in the currency exchange rates between the United States dollar relative to the Canadian dollar and the Argentine Peso could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At December 31, 2012, if the U.S. dollar strengthened or weakened by 10% relative to the Canadian dollar the impact on loss and other comprehensive loss would be as follows:

	Impact on net loss and comprehensive loss
U.S. Dollar Exchange rate – 10% increase	$ 2,363
U.S. Dollar Exchange rate – 10% decrease	$ (2,363)

At December 31, 2012, if the Argentine Peso strengthened or weakened by 10% relative to the Canadian dollar the impact on loss and other comprehensive loss would be as follows:

	Impact on net loss and comprehensive loss
Argentine Peso Exchange rate – 10% increase	$ 6,383
Argentine Peso Exchange rate – 10% decrease	$ (6,383)

ii. Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and equivalents are held through Canadian and Argentine financial institutions.
The Company maintains its cash and equivalents in multiple financial institutions. The Company maintains cash in an Argentine bank. The Argentine accounts, which had a Canadian dollar balance of $675,090 at December 31, 2012 (2011 - $747,622) are considered uninsured.

The Company maintains a cash balance in its bank account in Argentina. This balance is exposed to credit risk if the bank failed to meet its obligation to the Company. The Company controls for this risk by only keeping funds in Argentina sufficient to meet approximately two months of operating expenses.

The Company believes there to be minimal credit risk on accounts receivable from its employees. The Company occasionally has a receivable do from its exploration partner, it believes there to be minimal credit risk on this account receivable when it exists due to the size and significant operations of its partner as a mid-tier mining company. All receivables are current and there is no account receivable aging.

The Company pays a value added tax "VAT" to the Argentine government on all expenses in Argentina. This creates a VAT receivable owed by the government of Argentina. The Company's receivable at December 31, 2012 is $682,074 ($2,248,028 – undiscounted) (2011 - $1,143,509 ($2,265,205 – undiscounted)). The Company believes this to be a collectable amount and it is backed in the strength and laws of the Argentine government. If for some reason the government did not pay, changed the laws, defaulted on the receivable or the Company never achieved any mineral production, the Company potentially could lose the full value of the receivable.

The Company has an account receivable owed to it by the former parent of CCSA, HuntMountain Resources for $114,408 ($156,531 – 2011) The Company believes this to be a collectable amount and has confirmed it is a valid receivable with HuntMountain management. If for some reason HuntMountain did not pay, the Company could potentially lose the full value of the receivable.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure. The Company is dependent on the capital markets to raise capital by issuing equity in the Company to support operations. The current environment is prohibitive for the issuance of capital and there is no guarantee that should the Company need to raise new capital to support operations it will be able to do on favorable terms, if at all. All of the Company's accounts payable and accrued liabilities are current and payable within one year.

iv. Price risk

The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. A dramatic decline in commodity prices could impact the viability of the Company and the carrying value of its properties. The Company is exposed to price risk with respect to commodity prices. There is minimal price risk at the present time as the Company is not yet in the production phase.

v. Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. In the normal course of business, the Company is not exposed to interest rate fluctuations as there is no interest bearing debt as at December 31, 2012 and invested cash is short-term in nature.

Accounting standards issued but not yet applied

At the date of this MD&A, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standard, amendment and interpretation that is expected to be relevant to the Company's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 9, *International Financial Reporting Standard*, ("IFRS 9")

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, *Financial Instruments: Recognition and Measurement*, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive loss.

Where such equity instruments are measured at fair value through other comprehensive loss, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive loss.

This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company is assessing the impact of the standard.

IFRS 10, *Consolidated Financial Statements*

On May 12, 2011, the IASB issued IFRS 10, *Consolidated Financial Statements* that addresses the accounting for consolidated financial statements by establishing a single control model that applies to all entities, including special purpose entities or structured entities. IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent as a single economic entity.

IFRS 10 establishes criteria for determining control which includes the ability to direct the activities of the investee that significantly affect the investee's return, exposes the controlling entity to variable returns of the investee and has power over the investee sufficient to affect returns to the investor. Control activities outlines in IFRS 10 include the ability to determine operating policies, making capital decisions, appointing key management and managing underlying investments.

The standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. IFRS 10 must be adopted in conjunction with IFRS 11 and 12. The Company is assessing the impact of the standard.

IFRS 11, *Joint Arrangements*

On May 12, 2011, the IASB issued IFRS 11, *Joint Arrangements* which establishes principals for financial reporting by parties to a joint arrangement. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* and is effective for reporting periods after January 1, 2013. IFRS 11 describes the accounting for a "joint arrangement," defined as a contractual arrangement over which two or more parties have joint control. While IFRS 11 supersedes IAS 31, it does not broaden the scope of the standard.

Under IFRS 11 joint control is determined by the contractually agreed sharing of control of an arrangement whereby the decisions about the relevant activities require unanimous consent of the parties sharing control. Key in determining joint control include; contractual agreement among the parties, the ability to exert control over the relevant activities and the requirement for unanimous consent amongst the parties to an arrangement.

Joint arrangements will be classified as either "joint operations" or "joint ventures" under IFRS 11. For joint operations the operator will continue to recognize its assets, liabilities, revenues and expenses under its control as they would have under IAS 31. In a joint venture the parties have joint control and rights to the net assets of the arrangement.

The standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. IFRS 11 must be adopted in conjunction with IFRS 10 and 12. The Company is assessing the impact of the standard.

IFRS 12, *Disclosure of Involvement with Other Entities*

On May 12, 2011, the IASB issued IFRS 12, *Disclosures of Interests in Other Entities*. IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard as previously included in IAS 27, 28 and 31 along with new disclosure standards. IFRS 12 is intended to disclose information that help users of financial statements evaluate the nature and risk associated with interest in another entity and the effect those interests have on its financial position, financial performance and cash flows.

IFRS 12 requires that management disclose significant judgments and estimates used in determining whether it has control, joint control or significant influence over another entity and the type of joint arrangement established when done through a separate vehicle.

The standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. IFRS 12 must be adopted in conjunction with IFRS 10 and 11. The Company is assessing the impact of the standard.

IFRS 13, *Fair Value Measurements*

On May 12, 2011, the IASB issued guidance on the fair value measurement disclosure requirements for IFRS. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

The standard is required to be applied for accounting periods beginning on or after January 1, 2013. The Company is assessing the potential impact of the standard.

IAS 1, *Presentation of Items of OCI: Amendments to IAS I Presentation of Financial Statements*

In June 2011, the IASB issued IAS 1, *Presentation of Items of OCI: Amendments to IAS I Presentation of Financial Statements.* The amendments stipulate the presentation of net earnings and OCI and also require the Company to group items within OCI based on whether the items may be subsequently reclassified to profit or loss. Amendments to IAS 1is effective for annual periods beginning on or after July 1, 2012. The Company is assessing the impact of the standard.

IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*

In IFRIC 20, the IFRS Interpretations Committee sets out principles for the recognition of production stripping costs in the balance sheet. The interpretation recognizes that some production stripping in surface mining

activity will benefit production in future periods and sets out criteria for capitalizing such costs. Since the Company is not yet in production this standard does not yet apply to the Company.

Commitments and Provision

a) On March 27, 2007, the Company signed a definitive lease purchase agreement with FK Minera S.A. to acquire a 100% interest in the Bajo Pobré gold property located in Santa Cruz Province, Argentina. The Company may earn up to a 100% equity interest in the Bajo Pobré property by making cash payments and exploration expenditures over a five-year earn-in period. The required expenditures and ownership levels upon meeting those requirements are:

Year of the Agreement	Payment to FK Minera SA		Exploration Expenditures Required	Ownership
First year – 2007	US$50,000	PAID	US$250,000	0%
Second year – 2008	US$30,000	PAID	US$250,000	0%
Third year –2009	US$50,000	PAID	-	51%
Fourth year – 2010	US$50,000	PAID	-	60%
Fifth year – 2011	US$50,000	PAID	-	100%

After the fifth year, the Company is obligated to pay FK Minera S.A. the greater of a 1% net smelter royalty ("NSR") on commercial production or US$100,000 per year. The Company has the option to purchase the NSR for a lump-sum payment of US$1,000,000 less the sum of all royalty payments made to FK Minera S.A. to that point.

As of December 31, 2012, the Company has made all required payments to F.K. Minera, however CCSA has not made sufficient exploration expenditures required by the Bajo Pobré contract. The parties to the contract have not finalized an amendment to the contract terms and therefore the Company's ability to retain rights to explore the Bajo Pobré property is uncertain at this time. The Company does not believe that it not making the exploration expenditures required by the FK Minera lease purchase agreement jeopardize the Company's agreement with its exploration partner for the Bajo Pobre project.

b) In March 2007, the Company was the successful bidder for the exploration and development rights to the La Josefina project from Fomicruz. On July 24, 2007, the Company entered into an agreement with Fomicruz pursuant to which the Company agreed to invest a minimum of US$6 million in exploration and development expenditures over a four year period, including US$1.5 million before July 2008. The agreement provides that, in the event that a positive feasibility study is completed on

the La Josefina property, a joint venture company would be formed by the Company and Fomicruz. A revised schedule for exploration and development of the La Josefina project was submitted in writing to Fomicruz and was adopted on May 3, 2011, mandating that an economic feasibility study and production decision be made by the Company for the La Josefina project by the end of 2013. The Company would own 91% of the joint venture company and Fomicruz would own the remaining 9%.

On November 15, 2012 the Company signed an amended agreement with Fomicruz extending the exploration term by 7 years; the new agreement requires the Company to make a production decision by the end of 2019.

c) On June 30, 2010, a former director and accounting consultant ("the Consultant") to the Company severed his business relationship with the Company. On August 5, 2010 the Consultant claimed that since 2006, he was actually an employee of, not a consultant to, CCSA. On September 7, 2010, the

Argentine Ministry of Labor, Employment and Social Security filed a Certificate of Notice on CCSA and the Company indicating that a representative from CCSA and the Company must appear before a mediator to address the Consultant's claims. The certificates of notice stated the value of the Consultant's claim against the Company at 500,000 pesos (US$126,811).

On March 18, 2011, a lawsuit was filed against the Company and its subsidiaries by the Consultant. The lawsuit claimed that the Consultant was an employee of the Company, not a consultant, since 2006. The total value of the claim was US$249,041, including wages, alleged bonus payments, interest and penalties. The consolidated financial statements include a provision of $125,000 at

December 31, 2012. Management considers the lawsuit to be without merit and intends to defend the Company and its subsidiaries to the fullest extent possible.

d) On October 31, 2011, the Company signed an agreement with the owners of Piedra Labrada for the use and lease of facilities on the same premises as the Company's La Josefina facilities. The term is for three years beginning November 1, 2011 and ending on October 31, 2014, including annual commitments of $60,000.

e) On April 1, 2012 the Company entered into a 9 month agreement with the surface rights holder of the Piedra Grande Ranch, located in Santa Cruz province, Argentina for access and use of their property. The agreement allows for the Company to engage in exploration activity as well as use the property and the facilities to house and store the Company's equipment and personnel. The Company agreed to consideration of US$3,000 per month under this agreement. The initial term of the agreement ended on December 31, 2012, The Company was given an exclusive option to extend the agreement for 1 year, which it exercised. The agreement now ends on December 31, 2013. The Company's total obligation under this new agreement for the year ending December 31, 2013 is US$36,000.

f) On May 3, 2012, the Company entered into an exploration agreement with Eldorado Gold Corp for the purpose of exploring the Company's exploration projects in Santa Cruz province, Argentina. The agreement classifies projects into three stages: Stage I, is an early exploration project that is not ready for exploration drilling; Stage II; is a project that is drill ready, or being drilled; Stage III, requires that the Company and its exploration partner jointly create a new company where by the Company will retain a 25% interest in the new company and Eldorado Gold Corp, or a nominee of their choice, will be granted a 75% interest in the new company. As of December 31, 2012 the Company had one stage II project, Bajo Pobre.

g) On September 1, 2012, the Company moved into new office space. The Company signed a new office lease with a three-year term, which includes the first four months for free. The new office lease expires on December 31, 2015 and calls for monthly payments of approximately US$2,812 in 2013; US$2,886 in 2014; and US$2,960 in 2015.

Minimal annual lease payments pursuant to the lease agreement are as follows (in US$):

2013	$ 33,744
2014	34,632
2015	35,520
	$ 103,896

h) On October 1, 2012, the Company entered into an agreement with the surface owner of the Bajo Pobre Ranch in Santa Cruz province, Argentina. As consideration for access to the Bajo Pobre property and use of the Bajo Pobre estancia the Company agreed to pay the owner $5,000 per month over a period of 9 months ending on June 30, 2013. At the Company's sole option it can extend the agreement for an additional year, ending June 1, 2014. The Company's total commitment for 2013 under this agreement is US$30,000.

i) On November 1, 2012, the Company entered into an agreement with Fomicruz for the exploration of the La Valenciana project in Santa Cruz province, Argentina. The agreement is for a total of 7 years, expiring on October 31, 2019. The 7 years is broken into 3 economic periods, at the end of each period the Company will have the option of reporting its results to Fomicruz or terminating the agreement. The Company is required to spend US$5,000,000 in exploration over the 7 year exploration period on the project.

Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares and preferred shares without nominal or par value. As at April 23, 2013, the Company's outstanding equity and convertible securities were as follows:

Securities	**Outstanding**
Voting equity securities issued and outstanding(1)	121,494,823 common shares
Securities convertible or exercisable into voting equity securities – stock options	Stock options to acquire up to 7,147,470 common shares(7)
Securities convertible or exercisable into voting equity securities – warrants	12,658,950 warrants to acquire 12,658,950 common shares at an exercise price of $0.35 per share before November 30, 2013 (2) 12,822,500 warrants to acquire 12,822,500 common shares at an exercise price of $0.65 per share before June 14, 2013 (5)
Securities convertible or exercisable into voting equity securities – broker's warrants	2,671,894 broker warrants to acquire one broker compensation unit at an exercise price of $0.35 per share on or before November 30, 2013 where each broker compensation warrant will consist of one common share and one half of one common share purchase warrant exercisable at $0.35 prior to November 30, 2013(3); 1,788,150 broker compensation options to acquire 1,788,150 units, each consisting of one common shares and one half of one common share purchase warrant, at an exercise price of $0.45 prior to June 14, 2013(6)
Securities convertible or exercisable into voting equity securities – compensation warrants	55,910 broker warrants to acquire one common share at an exercise price of $0.35 per share on or before November 30, 2013 (4)

Table Notes:

(1) On April 10, 2013, 20,881,493 convertible preferred shares were converted into 20,881,493 common shares on the basis of one common share for each convertible preferred share held. The convertible preferred shares were all issued to HuntMountain, CCSA's former parent corporation, on December 23, 2009 in partial consideration for the Qualifying Transaction.

(2) On November 30, 2010, the Company issued 28,420,900 units pursuant to a short form prospectus offering. Each unit consisted of one common share and one half share purchase warrant exercisable at $0.35 per warrant before November 30, 2013.

(3) In conjunction with the November 30, 2010 offering, the Company granted broker compensation warrants to purchase 2,842,090 broker compensation units at an exercise price of $0.30 per share on or before November 30, 2013. Each broker compensation unit will consist of one common share and one half of one common share purchase warrant exercisable at $0.35 prior to November 30, 2013.

(4) Issued upon cashless exercise of broker compensation warrants issued on November 30, 2010.

(5) In conjunction with the June 14, 2011 bought-deal private placement, the Company issued 25,645,000 units pursuant to a short form prospectus offering. Each unit consisted of one common share and one half share purchase warrant exercisable at $0.65 per warrant before June 14, 2013.

(6) In conjunction with the June 14, 2011 bought-deal private placement, the Company granted broker compensation options to purchase 1,788,150 broker compensation units at an exercise price of $0.45 per share on or before June 14, 2013. Each broker compensation unit will consist of one common share and one half of one common share purchase warrant exercisable at $0.65 prior to June 14, 2013.

(7) On February 27, 2012, the Company granted 1,250,000 stock options at an exercise price of $0.30 per share to certain directors, officers, employees and consultants.

Risks and Uncertainties

No History of Earnings

The Company has no history of earnings. The Company's properties are in the exploration stage of development. Additional external financing will be required to develop these properties further. There can be no assurances that any of the Company's properties will ever contain an economic ore body.

None of the Company's properties are currently in production, and although the Technical Report indicates mineral resources for La Josefina project, there can be no assurance that any proven or probable mineral reserves will be discovered or that any particular level of recovery of minerals will in fact be realized or that an identified mineral reserve or mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company's ability to continue operations and fund its liabilities is dependent on management's ability to secure additional financing. Although the Company has been successful in pursuing additional sources of financing in the past, there can be no assurance it will be able to do so in the future. There can be no assurances that additional funding will be available, or available under terms favorable to the Company, or at all.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers and title

may be affected by undetected defects. Until competing interests, if any, in the mineral lands have been determined, the Company can give no assurance as to the validity of title to those lands or the size of such mineral lands.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals the Company may acquire or discover may be affected by numerous factors that are beyond its control and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, the import and export of minerals and environmental protection, the combination of which factor may result in the Company not receiving an adequate return of investment capital.

All of the claims in which the Company has acquired or has a right to acquire an interest are in the exploration stage only and are without a known commercially-mineable ore body. Development of the subject mineral properties would follow only if favorable exploration results are obtained.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of its operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The Company is required to obtain required permits from various government departments to carry out its work programs. There is no guarantee that all required permits will be granted on terms satisfactory to the Company, or at all. If such permits are not received, the Company may not be able to carry out or complete its business objectives.

The Company has not conducted sufficient exploration activity pursuant to its option agreement with FK Minera SA. The Company has not satisfied all of its USD$500,000 exploration commitment as required by the Bajo Pobré agreement, nor have the parties to the contract finalized amendment of the contract terms. The Company's ability to retain rights to explore the Bajo Pobré property is uncertain at this time.

Loss of Bajo Pobré Property

The Company has made the required lease payment investments but not all the work commitment investment, as required under the Bajo Pobré option agreement. FK Minera SA has agreed to amend the Bajo Pobré option agreement to permit the Company to cure its contractual breach. There is no guarantee, however, that this amending agreement will be executed in a timely manner, or at all. As a result, the Company could lose its rights to explore the Bajo Pobré property.

Loss of Foreign Issuer Status

The Company may at some future date determine that it has ceased to qualify as a "foreign private issuer" for the purposes of United States federal securities laws. This determination is performed each year as of June 30,

being the last business day of its second fiscal quarter. Should this occur, the Company would not be able to avail itself of the rules and forms designated for foreign private issuers until the Company is able to once again establish its qualification as a foreign private issuer. Absent registration under the U.S. Securities Act, under most circumstances, securities issued by the Company during such times as that the Company fails to qualify as a "foreign private issuer," would be "restricted securities" for the purposes of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and would be issued with a U.S. restrictive legend, regardless of whether they are issued in an "offshore transaction" pursuant to Regulation S, or are issued in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Company's inability to issue securities outside the United States without resale restrictions imposed by the U.S. Securities Act and regulations thereunder may make it difficult or impossible to complete securities offerings on favorable terms, or at all.

Uninsured or Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to insure fully against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have a material adverse impact on the Company's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Operating Hazards and Risks

Mineral exploration and development involves risks which even a combination of experience, knowledge and careful examination may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, developments and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. The nature of these risks is such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable or the Company may elect not to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Environmental Risks, Regulations, Permits and Licenses and Other Regulatory Requirements

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's operations, including development activities and commencement of production on its properties, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws, and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that the Company obtains permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or at all or that such laws and regulations will not have an adverse effect on any mining project which it might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fine or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competition

The mining industry is intensely and increasingly competitive in all its phases, and the Company will compete with other companies that have greater financial and technical resources. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and operated economically and businesses compete for the technical expertise to find, develop, and operate such properties, the skilled labor to operate the properties and the capital for the purpose of financing development of such properties. Such competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

Dependence on Management

The Company is largely dependent on the performance of its directors and officers. There is no assurance the Company will be able to maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of any of these persons could have a material adverse effect on the Company and its prospects.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist at the time of sale. Factors beyond the Company's control may affect the marketability of metals or minerals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, and the

Company will be affected by numerous factors beyond its control. The effect of these factors on the Company's operations cannot be predicted. If mineral prices decline significantly, it could affect the Company's decision to proceed with further exploration of its properties.

Future Financing

The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms to the Company, if at all. Failure to obtain additional financing

on a timely basis may result in delay or indefinite postponement of further exploration and development or forfeiture of some rights in some or all of the Company's properties. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to further explore and develop its properties, take advantage of other opportunities, or otherwise remain in business. Events in the equity market may impact the Company's ability to raise additional capital in the future. The Company's loss of "foreign private issuer" status under US securities law may also adversely affect future financings.

Future Acquisitions

As part of the Company's business strategy, it may seek to grow by acquiring companies, assets or establishing joint ventures that it believes will complement its current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for its business. The Company cannot guarantee that it can complete any acquisition it pursues on favorable terms, or that any acquisitions competed will ultimately benefit its business.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in generating revenues, cash flows or earnings.

Conflicts of Interest

Certain directors and officers of the Company will and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the interest of the Company. Directors and officers of the Company with conflicts of interest will be subject to and follow procedures set out in applicable corporate and securities legislation, regulation, rules and policies

Reliability of Historical Information

The Company has relied, and the Technical Report is based, in part, upon historical data compiled by previous parties involved with the La Josefina project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Dividends

The Company has never paid a dividend on its common shares or preferred shares. It is not anticipated that the Company will pay any dividends on its common shares or preferred shares in the foreseeable future.

Adverse fluctuations in currency exchange rates

The Company will maintain most of its working capital in Canadian and United States dollars. However, a significant portion of the Company's operating costs are incurred in Argentinean pesos. Accordingly, the Company will be subject to fluctuations and volatility in the rates of currency exchange between the Canadian dollar, United States dollar and the Argentinean peso, and these fluctuations could materially affect the Company's financial position and results of operations as costs may be higher than anticipated. The costs of goods and services could increase due to changes in the value of the Canadian dollar, the United States dollar, or the Argentinean peso. Consequently, operation and development of the Company's properties might be more costly than the Company anticipates.

Economic and political instability in Argentina may affect the Company's mineral projects

All of the Company's material properties are located in Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina.

During an economic crisis in 2002 and 2003, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the Argentinean government has renegotiated or defaulted on contractual arrangements.

In January 2008, the Argentinean government reassessed its policy and practice in respect of export duties and began levying export duties on mining companies operating in the country.

There also is the risk of political violence and increased social tension in Argentina and Argentina has experienced periods of civil unrest, crime and labor unrest.

Certain political and economic events such as acts or failures to act by a government authority in Argentina, and acts of political violence in Argentina, could have a material adverse effect on the Company's ability to operate.

Limitations on the transfer of cash or other assets between the Company and its subsidiaries or joint venture partners

The Company is a Canadian company that is conducting operations through foreign (principally Argentinean) subsidiaries, and substantially all of the Company's assets consist of equity in these entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and these entities, or among these entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or

the perception that such limitations might exist now or in the future, could have an adverse impact on available credit and the Company's valuation and stock price.

Current Global Economic Conditions

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase its cost of capital. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on the Company's business, financial condition and results of operations.

Service of Process

A majority of the directors and officers of the Company reside outside of Canada and it will therefore be difficult to effect service of process (service of legal proceedings) on such directors and officers.

Breach of Undertaking

If the undertaking entered into by HuntMountain in conjunction with the Qualifying Transaction is breached by HuntMountain or any of its directors or officers, trading of the common shares of the Company on the Exchange could be suspended and the Company could be delisted from the Exchange. Such undertaking provides that any material change relating to CCSA or its assets, including the La Josefina project, shall be initially announced by the Company prior to any announcement by HuntMountain and that any news release issued by HuntMountain in relation to the foregoing matters be in conformity with the news release of the Company; that all directors and officers from time to time of HuntMountain provide to the Exchange Personal Information Forms (as defined in the Exchange policies) and an undertaking of each such director and officer to resign if not acceptable to the Exchange; that the preferred shares of the Company will not be transferred by HuntMountain except with the consent of the Exchange; and that the issued shares of HuntMountain not be transferred by the Control Person (as defined in the Exchange policies) of HuntMountain if such transfer would result in a Change of Control (as defined in the Exchange policies).

Critical Accounting Policies, Judgments and Estimates

Details regarding the Company's accounting policies and judgments and estimates are presented in Note 4 and Note 6 to the Company's consolidated financial statements for the year ended December 31, 2012.