ANSUE CAPITAL CORP.
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended January 31, 2011

The following discussion and analysis of financial results should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2011; including the notes thereto, which are prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is the Canadian dollar.

The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Company's results of operations and financial conditions. Certain statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements.

This Management Discussion and Analysis is dated April 5, 2011.

Description of Business

Ansue Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on December 3, 2009. The Company is a capital pool ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Company's common shares are listed for trading on the TSX Venture Exchange under the trading symbol ASU.P.

The Company's principle business is the identification and evaluation of assets, properties or businesses, and once identified and evaluated to negotiate an acquisition or participation subject to receipt of the approval of the TSX Venture Exchange and, if required, shareholders' approval.

Where an acquisition or participation is warranted (the "Qualifying Transaction"), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange at which time the Exchange may suspend or de-list the Company's shares from trading. Subsequent to the financial reporting period covered by this report, the Company entered into a letter of intent with respect to a proposed business combination which, if completed, will be the Company's qualifying transaction pursuant to the policies of the Exchange. Please refer to "Subsequent Events" in this Management Discussion and Analysis.

Performance Summary

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or, an investment of an interest in a Qualifying Transaction within 24 months of attaining its listing on the TSX Venture Exchange. Since inception on December 3, 2009, the Company has been directing its energies towards filing its prospectus for its initial public offering ("IPO") in British Columbia and Alberta, filing application for approval of listing with the TSX Venture Exchange and identifying and evaluating an interest in a Qualifying Transaction.

The Company's final prospectus was accepted by the TSX Venture Exchange and the British Columbia and Alberta Securities Commissions on March 26, 2010. On May 19, 2010 the Company announced that it had completed its initial distribution of securities to the public. The Company's shares were listed for trading on the TSX Venture Exchange on May 21, 2010 under the trading symbol ASU.P.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. This information has been prepared in accordance with Canadian GAAP. For more detailed information, reference the January 31, 2011 and 2010 audited financial statements.

	Year Ended January 31, 2011	**Period Ended January 31, 2010**
	$	$
Interest income	1,434	-
Net income (loss) for the period	(58,024)	(1,988)
Basic and diluted earnings (loss) per share	(0.02)	(0.00)
Total assets	198,220	98,012
Total long term liabilities	-	-
Cash dividends	-	-

Summary of Quarterly Results

The following table sets out selected financial data in respect of the most recently completed quarters of the Company. The data is derived from the financial statements of the Company prepared in accordance with Canadian GAAP.

	January 31, 2011	**October 31, 2010**	**July 31, 2010**	**April 30, 2010**	**Period from inception on December 3, 2009 to January 31, 2010**
	$	$	$	$	$
Total Revenue (interest income)	556	505	317	56	-
Net Profit (Loss)	(35,587)	(7,422)	(13,044)	(1,971)	(1,988)
Basic and diluted (loss) per common share	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)

Results of Operations

Revenues

Due to the Company's status as a CPC, there are no revenues to report from its current operations. The Company does not have any operations and will not conduct any business other than the identification and evaluation of businesses and assets for potential Qualifying Transactions including activities related to the potential consummation of the proposed Qualifying Transaction which is described herein.

Operating Expenses

Twelve months ended January 31, 2011

Operating expenses for the year ended January 31, 2011 totaled $59,458. Interest income for the twelve months ended January 31, 2011 was $1,434. No interest income was earned for the period ended January 31, 2010.

Net loss recorded by the Company for the twelve months ended January 31, 2011, was $58,024 compared to a loss of $1,988 for the period from inception on December 3, 2009 to January 31, 2010. The major reason for the increased loss of $56,036 for the twelve months ended January 31, 2011 was an increase in overall operating expenses; since the period ended January 31, 2010 was a shorter coverage period, funds spent for project evaluations and legal fees paid for the review of potential qualifying transaction prospects.

For the twelve months ended January 31, 2011, transfer agent and filing fees increased by $6,866 related to the SEDAR filing of the Company's prospectus and continuous disclosure documents for the fiscal year as well as fees paid to Computershare for transfer agent fees; professional fees increased by $3,808 for accounting and administrative services provided to the Company relating to the preparation of its financial reports and legal services; shareholder communication costs increased by $175 related to press release disseminations for the Company; general office expenses increased by $1,326; stock-based compensation calculated on options granted to directors during the year totaled $ 29,855 and business evaluation costs increased by $15,440. Business evaluation costs during the twelve months ended January 31, 2011 were incurred for due diligence on two potential Qualifying Transaction prospects. Subsequent to the end of the third quarter, the Company deemed both prospects to be unsuitable and abandoned any further evaluation.

Disclosure for Venture Issuers Without Significant Revenue

The Company did not have significant revenue from operations since inception. The components of the Company's expenses are as follows:

		Twelve Months Ended January 31, 2011	Period from Inception on December 3, 2009 to January 31, 2010
Business evaluation costs	$	15,440	-
General office expenses	$	1,925	599
Professional fees	$	4,557	749
Shareholder communication	$	175	-
Stock-based compensation	$	29,855	-
Transfer agent and filing fees	$	7,506	640
	$	**59,458**	**1,988**

At January 31, 2011, share issuance costs totaled $89,473, comprising of $18,890 in listing fees, a $20,000 commission and $10,000 as a corporate finance fee paid to the Company's agent in connection with the initial public offering, $22,304 in legal fees, $5,477 in audit fees correlating to the filing of the Company's prospectus and $1,423 in disbursements. Additionally, during the year, the Company recognized $11,379 of stock- based compensation calculated on stock options granted to the Agent of its initial public offering, as share issuance costs. These expenses were incurred in relation to the preparation of the Company's prospectus for its initial public offering, listing of the Company's common shares on the TSX Venture Exchange and in connection with the initial public offering process.

Financing Activities

During the period ended January 31, 2010 the Company issued 2,000,000 common shares to its directors at $0.05 per share for proceeds of $100,000. The 2,000,000 common shares are held in escrow, subject to TSX Venture Exchange policies and will be released over a period of three years from acceptance of the Company's Qualifying Transaction.

In May 2010, the Company completed its initial public offering in British Columbia and Alberta by issuing 2,000,000 common shares at a purchase price of $0.10 per share for gross proceeds to the Company of $200,000. Financing costs totaled $89,473. Mackie Research Capital Corporation acted as agent in respect of the offering and received a cash commission of $20,000, an administration fee of $10,000 and an option to acquire an aggregate of 200,000 common shares for a period of two years from the date of the listing of the common shares of the Company on the TSX Venture Exchange at an exercise price of $0.10 per common share. In August 2010, 60,000 agent's options were exercised for gross proceeds to the Company of $6,000, leaving a balance of 140,000 agent's options outstanding.

Liquidity and Capital Resources

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations for the ensuing fiscal year.

At January 31, 2011, the Company had $198,220 in current assets and $471 in payables and accrued liabilities for a working capital position of $197,749 compared to a working capital position of $73,512 at January 31, 2010. The increase in working capital of $124,237 was due to the receipt of the proceeds from the completion of the Company's initial public offering and proceeds received from the exercise of the 60,000 agent's options.

Current assets at January 31, 2011 were represented by cash and cash equivalents of $21,780, a short-term investment balance of $176,204 and $236 as sales tax receivable. Total liabilities were comprised of accounts payable and accrued liabilities totaling $471.

Fourth Quarter ended January 31, 2011

Cash Flow From Operating Activities

The Company recorded a net loss for the fourth quarter ended January 31, 2011 of $35,587, which when adjusted by changes in stock-based compensation, accrued interest income and working capital items totaling $33,220, resulted in cash usage of $2,367 in operating activities.

Year ended January 31, 2011

Cash Flow From Operating Activities

The Company recorded a net loss for the year ended January 31, 2011 of $58,024, which when adjusted for changes in stock-based compensation, accrued interest income and working capital items totaling $30,086, resulted in cash usage of $27,938 in operating activities.

Expenses incurred during the fiscal year 2011 were primarily due to the preparation of the Company's prospectus for its initial public offering, fees in connection with the initial public offering process, the application for approval of listing with the TSX Venture Exchange, SEDAR filing fees, preparation and filing of its interim financial reports and business evaluation costs.

Cash Flow From Financing Activities

During the year ended January 31, 2011, the Company raised $206,000 from the issuance of its common stock. Proceeds from the issuance of stock derived from the completion of the Company's initial public offering in May 2010, for gross proceeds of $200,000 and the exercise of 60,000 options by the agent acting for the Company in its initial public offering, for gross proceeds of $6,000 in August 2010. Share issuance costs for the year totaled $78,094, in which $24,500 was paid in the period ended January 31, 2010, resulting in a net amount of $152,406 being received from financing activities during the year ended January 31, 2011.

Capital Stock

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at January 31, 2011, 4,060,000 common shares were issued and outstanding, resulting in an increase of 2,060,000 common shares over the January 31, 2010 balance of 2,000,000 common shares.

The increase was the result of the completion of the Company's initial public offering in British Columbia and Alberta by issuing 2,000,000 common shares at a price of $0.10 per share for gross proceeds to the Company of $200,000 and the exercise of 60,000 options granted to an agent for the Company acting in respect of the offering at an exercise price of $0.10 per common share.

The following common shares and convertible securities were outstanding at the date of this report:

	Expiry Date	Exercise Price	Options Outstanding	Common Shares on Exercise
Common shares				4,060,000
Stock options	June 2, 2015	$0.10	400,000	400,000
Agent's options	May 21, 2012	$0.10	140,000	140,000

a) Escrow Shares

According to TSX Venture Exchange policies, all Seed Shares issued at a price lower than the price of the IPO shares and all securities acquired by non-arm's length parties to the Company, and all securities acquired by a Control Person will be held in escrow and will be released over a period of three years from acceptance of the Company's Qualifying Transaction. Additionally, all common shares acquired on exercise of stock options, granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued.

As at January 31, 2011, there are 2,000,000 shares subject to the escrow provisions.

b) Stock Options

On June 2, 2010 the Company granted its three directors an aggregate of 400,000 incentive stock options. The stock options are exercisable at a price of $0.10 per share and expire on June 2, 2015. Any common shares acquired pursuant to the exercise of the stock options prior to the completion of the Qualifying Transaction, will be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

c) Agent Options:

Pursuant to its initial public offering, the Company granted the Agent an option to purchase an aggregate of 200,000 common shares for a period of 24 months from the date of the grant. The Agent's options have an exercise price of $0.10 per share, vested immediately and expire May 21, 2012. In August 2010, 60,000 agent's options were exercised for gross proceeds to the Company of $6,000, leaving a balance of 140,000 agent's options outstanding.

Contributed Surplus

The contributed surplus balance at January 31, 2011 was $37,820 compared to $ nil at January 31, 2010. The increase was mainly the result of stock-based compensation calculated on stock options granted to directors and the agent to the initial public offering during the year ended January 31, 2011. See Notes 4 and 5 to the January 31, 2011 and 2010 audited financial statements.

Risks Related To Our Business

The Company has a limited history of operation and has not yet entered into an agreement in principle to acquire or complete a Qualifying Transaction. The Company is currently evaluating opportunities and until such a time as it enters into an agreement to complete a Qualifying Transaction, there is no guarantee such a transaction will be completed. External financing will be required to fund the Company's activities primarily through the issuance of common shares.

There can be no assurance that the Company will be able to obtain adequate financing. The securities of the company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- **Dilution:** There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

- **Revenues and Dividends:** The Company has no meaningful revenues and does not expect to have any meaningful revenues in the foreseeable future. In the event that the Company generates any meaningful revenues in the future, the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

- **Disruption In Trading:** In the event the Company makes a public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company will be halted and will remain for an indefinite period of time. Trading in the common shares of the Company may be halted at other times for other reasons, including failure by the Company to submit documents to the TSX Venture Exchange in the time periods required.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to maintain its CPC status. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to identify and evaluate assets or businesses with a view to purchase, amalgamation, merger or arrangement with another Company or by other means, in compliance with the CPC Policy.

The Company is still dependent on external financing to fund its activities with respect to the identification and evaluation of assets or businesses for acquisition, the maintenance of its status as a CPC, and the acquisition, if any, of a qualifying business to complete a transition from being a CPC to being, at a minimum, a Tier 2 listed Company on the Exchange. The Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended January 31, 2011.

Transactions With Related Parties

For the year ended January 31, 2011, the Company paid a total of $4,000 to a company owned by one of its directors for accounting and administrative services and the preparation of its financial reports.

Significant Accounting Policies

The financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), consistently applied, which include the significant accounting policies as described in Note 2 of the audited financial statements.

Future Accounting Policies

In February 2008, the Accounting Standards Board (AcSB) confirmed that Canadian public companies will have to adopt International Financial Reporting Standards (IFRS) effective for years beginning on or after January 1, 2011. IFRS will replace Canada's current generally accepted accounting principles. Companies will be required to provide comparative IFRS information for the previous fiscal year.

The Company anticipates implementation of these standards in its first quarter of fiscal year 2012 and is continuing to assess the impact this new framework will have on its financial statements. The Company's management will continue to monitor the transitional developments and provide disclosures of the key elements of our plan, including accounting policies, financial reporting, information technology, and progress as information becomes available during the transition period.

To transition to IFRS, the Company must apply "IFRS 1 – First Time Adoption of IFRS" which sets out the rules for first time adoption. In general, IFRS 1 requires an entity to comply with each IFRS effective at the reporting date for the entity's first IFRS financial statements. IFRS 1 contains certain mandatory and optional exemptions that the Company is currently assessing.

Management has commenced a comprehensive review of the impact of IFRS on the Company's financial statements. The objective of this review is to highlight, initially, all potential differences that are significant to the Company.

At the completion of this assessment, management will be in a position to disclose all major differences possibly impacting the Company's financial statements and to begin quantification of the effects. The review is currently underway with preliminary results indicating very minor effects on the Company due to the nature of its business. Concurrently, management is also evaluating its internal reporting structure, to determine if any changes may be required.

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. Prospective application of the standard is effective January 1, 2011, with early adoption permitted.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements". Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the

same time as Section 1582 “Business Combinations”. This new section will only have an impact on the Company’s financial statement for future acquisitions upon completion of its Qualifying Transaction.

In December 2009, the CICA issued EIC 175, Multiple Deliverable Revenue Arrangements, replacing EIC 142, Revenue Arrangements with Multiple Deliverables. This abstract was amended to: (1) provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) require, in situations where a vendor does not have vendor-specific objective evidence (“VSOE”) or third-party evidence of selling price, that the entity allocate revenue in an arrangement using estimated selling prices of deliverables; (3) eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method; and (4) require expanded qualitative and quantitative disclosures regarding significant judgments made in applying this guidance. The accounting changes summarized in EIC 175 are effective for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application. If the abstract is adopted early, in a reporting period that is not the first reporting period in the entity’s fiscal year, it must be applied retroactively from the beginning of the Company’s fiscal period of adoption. The Company is currently assessing the future impact of these amendments on its financial statements and has not yet determined the timing and method of its adoption.

Financial Instruments and Financial Risk Management

(a) Fair value

The Company’s financial instruments consist of cash and cash equivalents, short term investment and accounts payable and accrued liabilities. The estimated fair values of cash and cash equivalents, short term investment and accounts payable accrued liabilities approximate their respective carrying values due to the short period to maturity.

(b) Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2011, the Company had cash and cash equivalents, sales tax receivable and a short-term investment balance of $21,780, $236 and $176,204 respectively, against total current liabilities of $471. The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements.

(c) Interest rate risk

The Company invests part of the cash balance in a variable rate GIC at rate of Prime minus 1.85%. Any change to market rates result in interest rate risk. The exposure to interest rate risk, however, is limited due to the short term nature of variable rate GIC.

(d) Currency risk

The Company’s functional and reporting currency is the Canadian dollar. Occasional transactions may occur internationally giving rise to exposure to changes in foreign exchange rates. The currency risk is derived primarily from payments related to investing activities denominated in currencies other than the Canadian dollar. To limit the impact of fluctuations of the Canadian dollar over the foreign currencies, the Company matches, in general and when possible, the cash receipts in a foreign currency with the cash disbursements in the same foreign currency. The Company does not use derivative financial instruments to cover the variability of cash flows in foreign currencies.

(e) Credit risk

Credit risk is the risk of a loss in a counterparty to a financial instrument that fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and cash equivalents and short term investment. The Company limits its exposure to credit risk by holding its cash and short term investment in deposits with high credit quality Canadian financial institutions.

Evaluation of Disclosure Controls and Policies

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, which includes the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company's management, under the supervision of, and with the participation of, the CEO and CFO has designed the Company's disclosure controls and procedures. As at January 31, 2011, the CEO and CFO evaluated the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as at January 31, 2011.

Evaluation of Internal Controls Over Financial Reporting

Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company's management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements in accordance with Canadian GAAP.

These controls include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets, provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements in accordance with Canadian GAAP, and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgment in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, that no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

As at January 31, 2011, the officers of the Company evaluated the design and implementation of the Company's internal control over financial reporting ("ICFR"). Based on this evaluation of the design and operating effectiveness of the Company's ICFR, the CEO and CFO concluded that the Company's ICFR was effective as at January 31, 2011.

Subsequent Event

On March 2, 2011 the Company publicly announced that it entered into a letter of intent with respect to a proposed business combination (the "Business Combination") with Southern Andes Energy Inc. ("Southern Andes") which, if completed, will be the Company's qualifying transaction pursuant to the policies of the Exchange. The purpose of the letter of intent is to outline the principle terms and conditions upon which the Company will acquire from Southern Andes a 100% interest in the assets of Caracara Silver Inc. ("Caracara") which comprise interests in silver properties located in Peru.

The structure of the business combination will be agreed upon by Southern Andes and the Company and will result in the issuance by the Company to Southern Andes of 100 million common shares. In order to obtain requisite financing to carry on business going forward, the Company intends to complete a financing of common shares for a minimum amount of C$4.0 million and a maximum amount of C$6.0 million at a price of C$0.15 per common share.

On completion of the business combination, the board of directors and management of the Company will be comprised of nominees of Southern Andes and one nominee of the Company who is currently anticipated to be Anne B. Chopra. Subsequent to the closing of the Business Combination, the Company will call and hold a special meeting of shareholders to consider and approve, among other things, a consolidation of the shares of the Company currently anticipated to be on a three (pre-consolidation shares) for one (post-consolidation share) basis as well as a name change of the Company to a name selected by Southern Andes and approved by requisite regulatory authorities. As the majority shareholder of the Company, Southern Andes will vote its shares in favour of the consolidation and the name change.

Completion of the Business Combination is subject to a number of conditions, including but not limited to, negotiation and signing of a definitive agreement, Exchange acceptance and shareholder approval of the share consolidation and change of name of the Company. The Business Combination cannot close until all the conditions are satisfied. There can be no assurance that the Business Combination will be completed as proposed or at all.

In accordance with the Exchange policies, the Company's shares were halted from trading effective March 1, 2011 and will remain halted until such time as determined by the Exchange, which may not occur until the completion of the Definitive Agreement or if the Qualifying Transaction is abandoned.

Outlook

While Management of the Company has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Company has not yet entered into an agreement for any particular transaction. However, an optimistic approach is being taken by Management that in time, the Company shall be able to be in a position to complete a Qualifying Transaction.

Additional Information

Additional information relating to the Company can also be found on SEDAR at www.sedar.com.