

SOUTHERN ANDES ENERGY INC.

and

ANSUE CAPITAL CORP.

QUALIFYING TRANSACTION AGREEMENT

April 13, 2011

CASELS BROCK & BLACKWELL LLP

THIS AGREEMENT is made as of the 13th day of April, 2011 between Southern Andes Energy Inc. ("**Southern Andes**"), a company incorporated under the laws of the Province of Ontario and Ansue Capital Corp. ("**Ansue**") a company incorporated under the laws of the Province of British Columbia;

WHEREAS Southern Andes and Ansue executed and delivered a letter of intent dated March 2, 2011 (the "**LOI**"), which provides, among other things, that Southern Andes and Ansue shall complete a transaction pursuant to which Ansue shall acquire from Southern Andes (the "**Acquisition**") all of Southern Andes' silver assets, comprising the Silver Projects, pursuant to a structure that is to be mutually agreed upon by the Parties;

AND WHEREAS the Parties have agreed that the Acquisition shall comprise the sale by Southern Andes of all of the issued and outstanding shares in the capital of Caracara Silver Inc. ("**Caracara**"), Alpaca Exploraciones SAC (the "**Caracara Subsidiary**") and Solex del Peru SAC ("**Solex**") (collectively, the "**Transferred Shares**"), as well as the settlement of the intercorporate debt owing by Caracara and/or the Caracara Subsidiary and/or Solex to Southern Andes in the estimated cumulative amount of C\$250,000 (the "**Interco Debt**");

AND WHEREAS the Acquisition will constitute the "Qualifying Transaction" of Ansue pursuant to TSX Venture Exchange (the "**TSXV**") Policy 2.4 – Capital Pool Companies and it is anticipated that upon completion of the Acquisition Ansue will meet the minimum listing requirements of the Exchange for a Tier 2 mining issuer, although if mutually agreed upon by the Parties prior to Closing, the Parties shall use their reasonable good faith best efforts to have the common shares of Ansue listed for trading on the TSX following the completion of the Acquisition;

AND WHEREAS the LOI is subject to the execution and delivery of a definitive agreement and this Agreement is to serve as the definitive agreement for the purposes of the LOI;

AND WHEREAS the Parties hereto are therefore desirous of executing and delivering this Agreement, all on and subject to the terms and conditions herein contained;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

“**Acquisition**” has the meaning set forth in the preambles to this Agreement;

“**Agreement**” means this agreement and any amendment made to this Agreement;

“**Ansue**” means Ansue Capital Corp.;

“**Ansue Board**” means the board of directors of Ansue;

“**Ansue Financial Statements**” has the meaning ascribed thereto in section 4.2(15);

“**Ansue Options**” means the options to purchase 400,000 Ansue Shares at an exercise price of \$0.10, being outstanding and unexercised on the date hereof expiring on June 20, 2015;

“**Ansue Shares**” means the common shares in the capital of Ansue;

“**Ansue Agent Options**” means agent options to purchase 140,000 Ansue Shares at exercise prices of C\$0.10, expiring on May 14, 2012;

“**Asset Reorganization**” has the meaning set forth in section 3.2;

“**Associate**” has the meaning ascribed thereto in the OBCA;

“**Business Day**” means any day excepting a Saturday or Sunday or a day recognized as a holiday in Toronto, Ontario or Vancouver, British Columbia;

“**Caracara**” means Caracara Silver Inc.;

“**Caracara Financial Statements**” has the meaning ascribed thereto in section 4.1(15);

“**Caracara Subsidiary**” means Alpaca Exploraciones SAC;

“**Circular**” means the management information circular to be disseminated by Southern Andes in connection with a special meeting of shareholders of Southern Andes (the “**Southern Andes Meeting**”) to be held to, among other things, if appropriate, consider and approve the sale by Southern Andes to Ansue of the Transferred Shares in exchange for the Consideration Shares (the “**Southern Andes Special Business**”);

“**Claims**” has the meaning set forth in section 10.1;

“**Closing**” has the meaning set forth in section 2.3;

“**Closing Date**” means June 30, 2011, subject to the provisions of section 2.3;

“**Closing Time**” means the time at which the Acquisition is completed on the Closing Date;

“Completion Deadline” means August 30, 2011 or such later date as may be agreed to by the Parties in writing;

“Consideration Shares” means 100.0 million common shares in the capital of Ansue (on a pre-consolidation basis);

“Debt Instrument” has the meaning set forth in section 3.1(28);

“Escrow Agreement” means the CPC Escrow Agreement dated as of March 22, 2010 among Ansue, Computershare Investor Services Inc. and the named securityholders of Ansue;

“Filing Statement” means the filing statement to be prepared and filed by Ansue with the TSXV with respect to the Acquisition;

“Financing” means a private placement financing of Ansue Shares at an issue price of C\$0.15 per share for aggregate gross proceeds of between C\$4.0 million and C\$6.0 million;

“Governing Documents” means, in respect of a Party, its governing documents, including, as applicable, its certificate and articles of incorporation, as amended, articles of association, as amended and all similar articles, and its by-laws, as amended;

“Government Authority” means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, commission, board, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the TSXV and to the extent applicable, the TSX;

“Interco Debt” has the meaning set forth in the preambles to this Agreement;

“Issuance Obligation” means the obligation of Caracara to issue 3.0 million common shares as set forth in the agreement dated as of September 27, 2010 among Cybersonic Inc., Caracara and Alpaca, which will, pursuant to an amendment agreement dated as of April 8, 2011, on completion of the Acquisition, become an obligation of Ansue to issue an aggregate of 8.6 million pre-consolidation common shares;

“Laws” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by laws, statutory rules, principles of law, published policies, forms and guidelines, fee schedules, tariffs, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, directives, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Government Authority, statutory body (including the TSXV) or self regulatory authority, and the term **“applicable”** with respect to such Laws and in the context that refers to one or more Persons, means that such Laws

apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Government Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;

“**Liens**” means any and all liens, charges, encumbrances, security interests, mortgages and claims of others;

“**LOI**” has the meaning ascribed thereto in the preambles to this Agreement;

“**Material Adverse Change**” or “**Material Adverse Effect**” when used in connection with a Person, means any change, event or occurrence in the financial condition, operations, assets, liabilities, or business of such Person and its Subsidiary or Subsidiaries, as applicable, considered as a whole, which is or would reasonably expected to be, materially adverse to the business, assets, liabilities, financial condition or results of operations of such Person and its Subsidiary or Subsidiaries, as applicable, considered as a whole, other than a change, event or occurrence relating to or resulting from:

- (a) a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a Person to the Parties prior to the date of this Agreement;
- (b) any action or inaction taken by a Person to which the Parties had consented in writing;
- (c) the announcement of the transactions contemplated by this Agreement;
- (d) conditions affecting the mining and exploration industry as a whole including changes in commodity prices;
- (e) general economic, financial, currency exchange, securities, banking or commodity market conditions in Canada, Peru or elsewhere; or
- (f) this Agreement;

“**material fact**” has the meaning ascribed thereto in the *Securities Act* (Ontario) as the same has been and may hereafter from time to time be modified;

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time;

“**Parties**” means Ansue and Southern Andes;

“**Party**” means each of Southern Andes and Ansue;

“**Person**” includes any individual, sole proprietorship, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association,

trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, union, Government Authority, syndicate or other entity, whether or not having legal status;

“Personnel Obligations” means any obligations or liabilities of a Person or any of its Subsidiaries, as applicable, to pay any amount to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements and directors’ fees in the ordinary course, in each case in amounts consistent with historic practices and obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the ordinary and usual course of business and, without limiting the generality of the foregoing, Personnel Obligations shall include the obligations of such Person or any of its Subsidiaries, as applicable, to directors, officers, employees and consultants: (i) for payments on or in connection with any change in control of such Person pursuant to any change in control agreements, policies or arrangements, including the payments specified herein; and (ii) for any special incentive bonus payments and commitments;

“Regulatory Approval” means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Person or its Subsidiary, as applicable, which is required or advisable to be obtained in order to permit the Acquisition to be effected, including without limitation, approval of the TSXV and **“Regulatory Approvals”** means all such approvals, consents, waivers, permits, orders or exemptions;

“Reporting Jurisdictions” has the meaning ascribed thereto in section 4.2(ii);

“Securities Authorities” means the appropriate securities commissions, the TSXV and similar regulatory authorities in Canada and each of the applicable provinces and territories thereof;

“Silver Projects” means the silver projects of Caracara, Solex and the Caracara Subsidiary, located in Peru, and more particularly described in Schedule “A” attached hereto and forming a part hereof;

“Solex” means Solex del Peru SAC;

“Solex Financial Statements” has the meaning ascribed thereto in section 4.1(15);

“Southern Andes Board” means the board of directors of Southern Andes;

“Southern Andes Group Members” has the meaning set forth in section 6.3(a);

“Southern Andes Meeting” has the meaning set forth in the definition of Circular;

“Southern Andes Special Business” has the meaning set forth in the definition of Circular;

“**Subsidiary**” has the meaning ascribed thereto in the OBCA;

“**Superior Proposal**” has the meaning set forth in section 6.3(b);

“**Tax**” or “**Taxes**” means any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Government Authority, whether computed on a separate, consolidated, unitary, combined or other basis, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, employment insurance premiums, unemployment insurance, social insurance taxes, Canada Pension Plan contributions, sales and use taxes, value added taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, environmental taxes, capital taxes, production taxes, withholding taxes, employee health taxes, surtaxes, customs, import and export taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which Caracara or Ansue, as applicable (or any of their respective Subsidiaries), as the case may be, is required to pay, withhold, remit or collect;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, C.1 (5th Supp.), including regulations promulgated thereunder, as amended;

“**Transferred Shares**” has the meaning set forth in the preambles to this Agreement;

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange; and

“**Uranium Assets**” has the meaning set forth in section 3.2.

Section 1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

Section 1.3 Deemed Currency

In the absence of a specific designation of any currency any undescribed dollar amount herein shall be deemed to refer to Canadian dollars.

Section 1.4 Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this

Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

Section 1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by either of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

Section 1.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein.

Section 1.7 Attornment

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

Section 1.8 Statute and Agreement References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time.

Section 1.9 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles (“GAAP”) and all determinations of an accounting nature are required to be made shall be made in a manner consistent with Canadian GAAP.

Section 1.10 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer,

reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity).

Section 1.11 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge of the senior officers of the Party after due inquiry.

ARTICLE 2 PURCHASE AND SALE

Section 2.1 Consideration Shares for Transferred Shares

Subject to the terms and conditions set forth in this Agreement, at the Closing on the Closing Date, Southern Andes shall and hereby agree to sell, assign, convey, transfer and does deliver to Ansue and Ansue shall purchase from Southern Andes in exchange for the Consideration Shares, the settling of the Interco Debt and the acceptance of the Issuance Obligation, all of the Transferred Shares free and clear of all Liens and together with all rights of Southern Andes now and hereafter attaching thereto.

Section 2.2 Issue of the Consideration Shares

At the Closing Time Ansue shall deliver to Southern Andes a share certificate or certificates representing the Consideration Shares duly registered as directed by the Southern Andes.

Section 2.3 Closing Arrangements

Subject to the terms and conditions of this Agreement, the Acquisition shall take place at a closing (the "**Closing**") to be held at the Closing Time at the offices of Cassels Brock & Blackwell LLP, counsel to Southern Andes. The Parties may mutually agree to hold the Closing earlier than June 28, 2011 so long as all of the Conditions set forth in Article 8 may be satisfied on or before such earlier date. Additionally, if any of the Conditions cannot be satisfied on or before June 28, 2011, the Parties shall extend the Closing to a mutually agreeable date that shall be no later than the Completion Deadline.

Section 2.4 Interco Debt

On the Closing on the Closing Date, Ansue shall purchase the Interco Debt from Southern Andes and shall pay cash therefor in an amount equal to the principal balance thereof in the estimated amount of C\$250,000.

ARTICLE 3 ACQUISITION IMPLEMENTATION AND OTHER COVENANTS

Section 3.1 Implementation Covenants

(1) **Filing Statement.** Ansue and Southern Andes shall use commercially reasonable efforts to finalize the Filing Statement together with any other documents required by applicable securities and corporate Laws in connection with the Acquisition. Ansue shall cause the Filing Statement to be filed as required by applicable Laws as soon as reasonably practicable, (and in any event on or before June 28, 2011) provided that the Filing Statement and other documentation required in connection with the Acquisition shall be filed only with the prior written consent of Southern Andes (in connection with the Filing Statement, such consent shall be evidenced by a fully executed certificate page). For greater certainty and without limitation, such documents shall include all necessary audited and unaudited annual financial statements, interim financial statements and pro forma financial statements.

(2) **Listing.** Ansue shall use its commercially reasonable efforts to have the Acquisition, including without limitation the issuance of the Consideration Shares, accepted by the TSXV. Notwithstanding the foregoing, on mutual consent, the Parties shall use their commercial reasonable efforts to procure that (and shall do all such acts and things as shall be reasonably required in connection therewith) upon completion of the Acquisition, the Ansue Shares shall be listed and posted for trading on the TSX.

(3) **Southern Andes Special Business.** Southern Andes shall use its commercially reasonable efforts to finalize the Circular and to convene and hold the Southern Andes Meeting as soon as practicable (and in any event on or before July 30, 2011). Management of Southern Andes shall recommend that shareholders of Southern Andes vote in favour of the Southern Andes Special Business.

(4) **Southern Andes TSXV Approval.** Southern Andes shall use its commercially reasonable efforts to have the Acquisition (which constitutes a disposition by Southern Andes) accepted by the TSXV.

(5) **Preparation of Filings.** Ansue and Southern Andes shall cooperate in the preparation of all applications for all Regulatory Approvals and the preparation of any other documents and taking of all actions reasonably deemed by Ansue or Southern Andes, as the case may be, to be necessary to discharge their respective obligations under applicable Laws in connection with the Acquisition and all other matters contemplated in the Circular, the Filing Statement and this Agreement, including:

(a) Ansue and Southern Andes shall furnish to the other all such information concerning it as may be required and Southern Andes shall furnish to Ansue all such information concerning Caracara and the Caracara Subsidiary as shall be in its possession or under its control as may be reasonably required by Ansue. Each Party covenants that no information furnished by it in connection with such

actions or otherwise in connection with the consummation of the Acquisition will contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used.

- (b) Ansue and Southern Andes shall promptly notify the other if at any time before the Closing Date it becomes aware that the Circular or the Filing Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Circular or the Filing Statement. In any such event, Ansue and Southern Andes shall cooperate in the preparation of a supplement or amendment to the Circular or the Filing Statement, as the case may be, as required and, if required, shall cause the same to be distributed to shareholders of Southern Andes and/or filed with the Securities Authorities.

(6) **Number of Consideration Shares.** The number of Consideration Shares is based on the following: (i) Ansue having an issued capital of 4,060,000 Ansue Shares, with an additional 140,000 Ansue Shares reserved for issuance pursuant to the Ansue Warrants as well as 400,000 Ansue Shares reserved for issuance pursuant to the Ansue Options; and (ii) the only additional securities that Ansue will issue from the date hereof up to and including the Closing Date will be those in connection with the Financing, finder's fees related to the Financing and 300,000 Ansue Shares as and by way of a finder's fee to Jescorp Capital Inc. in connection with the Acquisition. The Consideration Shares will be subject to change in the event that prior to the Closing Date there are changes to the share capital of Ansue other than as hereinbefore referenced or in the event that there is a material change in the liabilities of Ansue prior to the Closing Date.

(7) **Share Consolidation.** Ansue and Southern Andes agree that it is currently contemplated that after closing of the Acquisition, Ansue will call and hold a special meeting of shareholders to consider and approve, among other things, a consolidation of the shares of Ansue on a three (pre-consolidation shares) for one (post-consolidation share) basis. and that Ansue shall complete a name change to a name selected by Southern Andes and approved by requisite regulatory authorities. As the majority shareholder of Ansue, Southern Andes will vote its shares in favour of the consolidation and will procure that the name change is effected.

Section 3.2 Other Covenants

The Parties agree that Solex owns assets that comprise uranium assets (the "**Uranium Assets**") that are not related to the Silver Project and that are not to form a part of the assets ultimately owned by Ansue. From and after the date of the execution and delivery of this Agreement Southern Andes will continue to do all such acts and things

so as to cause Solex to transfer the Uranium Assets to a subsidiary of Southern Andes in exchange for shares of such newly incorporated subsidiary but without any representations, warranties, covenants or indemnifications. From and after such exchange, Southern Andes shall cause Solex to transfer such shares of the subsidiary to Southern Andes for additional shares of Solex. The foregoing arrangements shall continue regardless of whether Closing has occurred. If Closing does occur prior to the transfer out of the Uranium Assets, Solex shall be deemed to hold the same in trust for the benefit of Southern Andes or any applicable subsidiary of Southern Andes as bare trustee without any right, title and/or liability with respect thereto (other than as provided in this section regarding the transfer out thereof). The internal reorganization transactions described in this section are sometimes referred to as the “**Asset Reorganization**”. All costs and expenses associated with the Asset Reorganization including, but not limited to, and transfer fees and income or other taxes arising from the transfer, shall be borne by Southern Andes, and Southern Andes shall indemnify and save harmless Solex and Ansue against any liabilities respecting such costs and expenses.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations of Southern Andes

Southern Andes represents and warrants as follows to Ansue and acknowledges that Ansue is relying upon such representations and warranties in entering into this Agreement:

- (1) Southern Andes has been duly incorporated and is validly existing under the laws of the Province of Ontario and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (2) Each of Caracara, Solex and the Caracara Subsidiary is duly incorporated and validly existing under the laws of its respective jurisdiction of incorporation and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (3) Subject to the receipt of requisite shareholder approval in respect of the Southern Andes Special Business, Southern Andes has full corporate power, capacity and authority to undertake the Acquisition and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Acquisition has been duly authorized by the Southern Andes Board;
- (4) This Agreement has been duly authorized, executed and delivered by Southern Andes and constitutes a legal, valid and binding obligation of Southern Andes enforceable against it in accordance with its terms;
- (5) The authorized and issued capital of Caracara consists of an unlimited number of common shares of which 100 common shares are issued and outstanding at the date

hereof and owned beneficially and of record by Southern Andes with good and marketable title thereto, free and clear of any and all Liens. The authorized and issued capital of Solex consists of an unlimited number of common shares of which 10,000 common shares are issued and outstanding at the date hereof and owned beneficially and of record by Southern Andes with good and marketable title thereto, free and clear of any and all Liens. As a result of the Asset Reorganization, an additional number of shares in the capital of Solex will be issued and outstanding prior to Closing and will form a part of the Target Shares to be transferred to Ansue on Closing. The authorized and issued capital of the Caracara Subsidiary consists of an unlimited number of common shares of which 1,000 are issued and outstanding at the date hereof and owned beneficially and of record by Caracara with good and marketable title thereto, free and clear of any and all Liens;

(6) Save and except as contemplated by the Asset Reorganization and save and except as contemplated by the Issuance Obligation, none of Southern Andes, Caracara, Solex nor the Caracara Subsidiary is a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of Caracara, Solex or the Caracara Subsidiary or securities convertible into or exchangeable for any securities of Caracara, Solex or the Caracara Subsidiary;

(7) The corporate records of Caracara, Solex and the Caracara Subsidiary are complete and accurate and include their respective Governing Documents, all minutes of meetings and all resolutions of shareholders and directors, and the share certificate books, securities register, register of transfers and register of directors;

(8) None of Caracara, Solex or the Caracara Subsidiary is a partner, co-tenant, joint venturer or otherwise a participant in any partnership joint venture, co-tenancy or other similarly joint owned business;

(9) Each of Caracara, Solex and the Caracara Subsidiary has all requisite corporate capacity, power and authority and possesses all material certificates, authority, permits and licenses issued by each applicable Government Authority necessary to conduct the business it shall conduct and to own or lease its respective assets and is in compliance in all material respects with such certificates, authorities, permits or licenses and has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would cause a Material Adverse Change of Caracara, Solex or the Caracara Subsidiary, taken as a whole;

(10) The entering into and the performance by Southern Andes of the Acquisition:

(a) save and except for the approval of the TSXV, does not require any Regulatory Approval in respect of Southern Andes, Caracara, Solex or the Caracara Subsidiary;

- (b) will not contravene any statute or regulation of any Government Authority which is binding on Southern Andes, Caracara, Solex or the Caracara Subsidiary where such contravention would result in a Material Adverse Change; and
 - (c) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents of Caracara, Solex or the Caracara Subsidiary or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which Caracara, Solex or the Caracara Subsidiary is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would result in a Material Adverse Change of Caracara, Solex or the Caracara Subsidiary taken as a whole;
- (11) There are no legal or governmental proceedings pending or, to the knowledge of Southern Andes, contemplated or threatened, to which Caracara, Solex or the Caracara Subsidiary is a party or to which the property of Caracara, Solex or the Caracara Subsidiary is subject;
- (12) The only material indebtedness and material liabilities of Caracara, Solex or the Caracara Subsidiary whether direct, indirect, absolute, contingent or otherwise, are those set forth on Schedule "B" attached hereto, it being understood and agreed that any liabilities of Solex related to the Uranium Assets shall be the responsibility of Southern Andes from and after Closing and shall be assumed by Southern Andes upon Closing;
- (13) All information that has been prepared by Southern Andes relating to Caracara, Solex and the Caracara Subsidiary and their respective business, property and liabilities is, as of the date of such information, true and correct in all material respects, and as at the time of filing of the Filing Statement (subject to additional and supplemental information which may need to be provided), no fact or facts will have been omitted therefrom which would make such information materially misleading;
- (14) All filings and fees required to be made by Caracara, Solex and the Caracara Subsidiary pursuant to applicable Laws, if any, have been made and paid and such disclosure and filings were true and accurate as at the respective dates thereof;
- (15) The draft audited financial statements of each of Caracara (including the Caracara Subsidiary) and special carved-out financial statements of Solex (representing the silver assets only) as at and for the period ended March 31, 2011, together with the notes thereto and the independent auditors' report thereon, to be included with the Filing Statement will be prepared in accordance with Canadian GAAP (collectively, the "**Caracara Financial Statements**" and the "**Solex Financial Statements**"), will present fairly, in all material respects, the financial position of Caracara and Solex, respectively as at such date, and will not omit to state any material fact that is required by Canadian

GAAP or by applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

(16) Each of Caracara, Solex and the Caracara Subsidiary has duly filed on a timely basis all Tax returns required to be filed by it and has paid all Taxes which are due and payable, and has paid all assessments and reassessments, and all other Taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof; adequate provision has been made for Taxes payable for the current period for which Tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any Tax return by, or payment of any Tax, governmental charge or deficiency against Caracara, Solex or the Caracara Subsidiary as far as Southern Andes is aware, there are no actions, suits, proceedings, investigations or claims now threatened or pending against any of Caracara, Solex or the Caracara Subsidiary in respect of Taxes, governmental charges or assessments, or any matters under discussion with any government authority relating to Taxes, governmental charges or assessments asserted by any such authority;

(17) Each of Caracara, Solex and the Caracara Subsidiary has withheld from each payment made to any of their present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, all amounts required by law and will continue to do so until the Closing Date and have remitted such withheld amounts within the prescribed periods to the appropriate Government Authority. Each of Caracara, Solex and the Caracara Subsidiary, as applicable, has remitted all Canada Pension Plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by them in respect of their employees and have or will have remitted such amounts to the proper Government Authority within the time required by applicable law.

(18) There is no Person acting or purporting to act at the request of Southern Andes, who is entitled to any brokerage or finder's fee in connection with the Acquisition;

(19) Caracara, Solex and/or the Caracara Subsidiary, as applicable, has legal and beneficial good, valid, marketable and exclusive right, title and interest in and to, and actual and exclusive possession of, the Silver Projects, free and clear of all Liens, save and except for those set forth in Schedule "C" attached hereto. No event, condition or occurrence exists that, after notice or lapse of time would constitute a default under the Silver Projects. There are no pending adverse claims or challenges against the Silver Projects;

(20) Caracara, Solex and/or the Caracara Subsidiary has performed all work requirements and paid or filed when due (and has maintained all documentary evidence of such performance, payments or filings) all rents, fees, Taxes, local improvements charges, rates, assurances, deposits, security, levies, royalties, registration and filing fees and utilities charges or rates and all other payments to and assessments of any Government Authority or any other Person, that are to be performed, paid or filed with

respect to their respective rights in and to the Silver Projects. other than those, the lack of which or the failure to pay would not have a material adverse effect or would not impair title to the Silver Projects. All exploration work conducted by or on behalf of Caracara, Solex and/or the Caracara Subsidiary has been conducted in a sound and workmanlike manner and in compliance with sound geological and geophysical exploration and mining, engineering and metallurgical practices;

(21) Save and except as set forth in Schedule "D" attached hereto or as contemplated by the Asset Reorganization, none of Caracara, Solex or the Caracara Subsidiary is a party to any contract having a contractual value of \$250,000 or greater, or which is otherwise material to the conduct of their respective business. The enforceability of each of such contracts will not be affected in any manner by the execution and delivery of this Agreement or the consummation of the Acquisition. None of Caracara, Solex or the Caracara Subsidiary, as applicable, is in default under any of such contracts. Southern Andes has no knowledge of any breach or default by any other party to such contracts;

(22) The conduct of business by each of Caracara, Solex and the Caracara Subsidiary has been and is in all material respects in compliance with all environmental Laws. None of Caracara, Solex or the Caracara Subsidiary is subject to any outstanding environmental notice or any notice in respect of which it has not complied, or any claim alleging a violation of environmental Law;

(23) Each of Caracara, Solex and the Caracara Subsidiary is and at all times has been in material compliance with all permits and all other applicable Laws promulgated or issued by any Government Authority in respect of or applicable to the Silver Projects and each of Caracara, Solex and the Caracara Subsidiary has valid permits and has completed all such registrations, recordings or filings in respect of the Silver Projects as required under applicable Laws where failure to own valid permits and/or complete such registration, recordings or filings could have a material adverse effect on Caracara and the Caracara Subsidiary;

(24) Southern Andes has not received any notice of expropriation of all or any of the Silver Projects nor does Southern Andes have knowledge of any expropriation proceeding pending or threatened against or affecting the Silver Projects nor of any discussions or negotiations which could lead to any such expropriation;

(25) Since the date of its respective incorporation and save and except as contemplated by the Asset Reorganization, none of Caracara, Solex or the Caracara Subsidiary has, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its respective shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing;

(26) There is not, in the Governing Documents of Caracara, Solex or the Caracara Subsidiary any restriction upon, or impediment to, the declaration or payment of

dividends by the directors of Caracara, Solex or the Caracara Subsidiary or the payment of dividends by Caracara, Solex or the Caracara Subsidiary to the holders of its respective securities;

(27) Save and except for the Interco Debt or as contemplated by the Asset Reorganization and as contemplated in the agreement that gave rise to the Issuance Obligation, none of Caracara, Solex or the Caracara Subsidiary is a party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or any other liability ("**Debt Instrument**") or any agreement contract or commitment to create, assume or issue any Debt Instrument;

(28) None of Caracara, Solex or the Caracara Subsidiary is a party to any agreement nor is Caracara, Solex or the Caracara Subsidiary aware of any agreement, which in any manner affects the voting control of Caracara, Solex or the Caracara Subsidiary or other securities of Caracara, Solex or the Caracara Subsidiary;

(29) Each of Caracara, Solex and the Caracara Subsidiary has conducted and is conducting its respective business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws, material to its operation;

(30) There are no claims, actions, suits, proceedings, investigations, arbitrations, audits, grievances, assessments or reassessments in existence or pending or, to the knowledge of Southern Andes, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect Caracara, Solex and the Caracara Subsidiary or affecting or that would reasonably be expected to affect any of their respective properties or assets at law or in equity or before or by any court or Government Authority which claim, action, suit, proceeding, investigation, arbitration, audit, grievance, assessment or reassessment involves a possibility of any judgment against or liability of Caracara or the Caracara Subsidiary which would reasonably be expected to cause, individually or in the aggregate, a Material Adverse Change to Caracara, Solex or the Caracara Subsidiary, or would significantly impede the ability of Southern Andes to consummate the Acquisition;

(31) Save and except as contemplated by the Asset Reorganization and the Issuance Obligation, there are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any Person to acquire any of the rights, title, interests, property, licenses or assets of Caracara, Solex or the Caracara Subsidiary that will be triggered or accelerated by the Acquisition, which would have a Material Adverse Effect on Caracara, Solex and the Caracara Subsidiary;

(32) None of Caracara, Solex or the Caracara Subsidiary is a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to their by-laws and standard indemnity agreements and pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature), or

endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation;

(33) No director, officer, insider or other non-arm's length party to Caracara, Solex or the Caracara Subsidiary or any associate or affiliate thereof, has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty, interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Caracara, Solex or the Caracara Subsidiary which will be effective after the Closing Date;

(34) There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Caracara, Solex or the Caracara Subsidiary is a party or by which it is otherwise bound that would now or hereafter in any way limit its business or operations in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Caracara, Solex or the Caracara Subsidiary from engaging in its business or from competing with any person or in any geographic area;

(35) Southern Andes is not, and will not be at the time of the Acquisition, a "non-resident" as that term is used for the purposes of the Tax Act; and

(36) No representation, warranty or statement of Southern Andes in this Agreement, the Circular or the Filing Statement contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading. To the best of the knowledge of Southern Andes, Southern Andes will have disclosed in the Filing Statement all events, conditions or facts related to Caracara, Solex and the Caracara Subsidiary which materially affect the condition (financial or otherwise) or business of Caracara, Solex and the Caracara Subsidiary, taken as a whole.

For greater certainty and without limitation it is understood and agree that Southern Andes does not make any representation and warranty herein with respect to the Uranium Assets as the same do not form a part of the Silver Project and Ansue shall not become the owner thereof other than, potentially, as an indirect bare trustee until such time as the same are officially transferred out of Solex.

Section 4.2 Representations of Ansue

Ansue represents and warrants as follows to Southern Andes and acknowledge that Southern Andes is relying upon such representations and warranties in entering into this Agreement:

(1) Ansue has been duly incorporated and is validly existing under the laws of the Province of British Columbia and is current and up-to-date with all filings required to be made by it in such jurisdiction;

- (2) Ansue has full corporate power, capacity and authority to undertake the Acquisition and to carry out its obligations under this Agreement and the Filing Statement. The execution and delivery of this Agreement and the consummation of the Acquisition has been duly authorized by the Ansue Board and does not require approval of the shareholders of Ansue;
- (3) This Agreement has been duly authorized, executed and delivered by Ansue and constitutes a legal, valid and binding obligation of Ansue enforceable against it in accordance with its terms;
- (4) The authorized and issued capital of Ansue consists of an unlimited number of Ansue Shares of which as of the date hereof, 4,060,000 Ansue Shares were issued and outstanding. Additional Ansue Shares are reserved for issuance pursuant to the exercise of the Ansue Options and the Ansue Warrants;
- (5) Ansue is not a party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of Ansue, save and except for the Ansue Options and the Ansue Warrants. The outstanding Ansue Shares are free and clear of any Liens, save and except for transfer restrictions contained in the Escrow Agreement;
- (6) The Consideration Shares have been authorized and reserved for issue to Southern Andes in exchange for the Transferred Shares as part of the Acquisition. Upon the issuance of the Consideration Shares as part of the Acquisition in accordance with the terms of this Agreement, they will be validly issued as fully-paid and non-assessable shares of Ansue, free and clear of any and all Liens, save and except for transfer restrictions contained in the Escrow Agreement;
- (7) Except for cash in the amount of C\$150,000, Ansue does not have any property or assets and has not carried on business save and except for the search for a qualifying transaction pursuant to the rules of the TSXV and negotiations and matters related thereto;
- (8) The entering into and the performance by Ansue of the Acquisition:
 - (a) does not require any Regulatory Approval in respect of Ansue, except that which may be required under applicable securities legislation and the policies of the TSXV;
 - (b) will not contravene any statute or regulation of any Government Authority which is binding on Ansue, where such contravention would result in a Material Adverse Change of Ansue; and
 - (c) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents of Ansue or any Debt Instrument, mortgage, note, indenture, contract or agreement

instrument, lease or other document to which Ansue is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would result in a Material Adverse Change of Ansue;

(9) Since the date of its incorporation, Ansue (i) has filed with all applicable securities regulatory authorities, all forms, reports and documents required to be filed by it pursuant to applicable securities Laws and published policies of such regulatory authorities, including the TSXV, on a timely basis, (ii) all such filings when made complied in all respects with then applicable legal and regulatory requirements, (iii) as of their respective dates, none of these filings contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (iv) no confidential disclosure has been made under applicable securities Laws;

(10) Ansue's corporate records are complete and accurate and include its Governing Documents, all minutes of meetings and all resolutions of shareholders and directors, and the share certificate books, securities register, register of transfers and register of directors;

(11) Ansue is a reporting issuer in the Provinces of British Columbia and Alberta (the "**Reporting Jurisdictions**") and is not currently in default of any material requirement of the applicable Laws of each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such Provinces;

(12) The issued and outstanding Ansue Shares are listed and posted for trading solely on the TSXV and no order ceasing or suspending trading in any securities of Ansue is currently outstanding and to the knowledge of Ansue no proceedings for such purpose are pending or threatened;

(13) All information that has been prepared by Ansue relating to Ansue and Ansue's business, property and liabilities and either publicly disclosed or provided to Southern Andes in writing or to be included in the Circular, the Filing Statement, is, or will be, as of the date of such information, true and correct in all material respects, and as at the time of filing of the Filing Statement (subject to additional and supplemental information which may need to be provided), no fact or facts will have been omitted therefrom which would make such information materially misleading;

(14) All filings and fees required to be made by Ansue pursuant to applicable Laws have been made and paid and such disclosure and filings were true and accurate as at the respective dates thereof;

(15) The audited financial statements of Ansue for the year ended January 31, 2011 (collectively, the "**Ansue Financial Statements**"), to be provided to Southern Andes in connection with the Circular and the Filing Statement will be prepared in accordance with Canadian GAAP, and will present fairly, in all material respects, the financial

position of Ansue as at such dates, and will not omit to state any material fact that is required by Canadian generally accepted accounting principles or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading. The auditors of Ansue who will audit the financial statements for the year ended January 31, 2011 and who will provide their audit report thereon are independent public accountants as required under applicable Laws. There has never been a reportable disagreement (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or former auditors of Ansue. There is no material indebtedness or material liabilities of Ansue whether direct, indirect, absolute, contingent or otherwise which will not be disclosed or reflected in the Ansue Financial Statements or on SEDAR, except for costs associated with the transactions contemplated herein;

(16) Ansue has duly filed on a timely basis all Tax returns required to be filed by it and has paid all Taxes which are due and payable, and has paid all assessments and reassessments, and all other Taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof; adequate provision has been made for Taxes payable for the current period for which Tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any Tax return by, or payment of any Tax, governmental charge or deficiency against Ansue; as far as Ansue is aware, there are no actions, suits, proceedings, investigations or claims now threatened or pending against Ansue in respect of Taxes, governmental charges or assessments, or any matters under discussion with any government authority relating to Taxes, governmental charges or assessments asserted by any such authority;

(17) There are no circumstances existing which could result in the application of either section 78 or section 80 of the Tax Act or any equivalent provincial provision to Ansue;

(18) Ansue has not made or filed any election under section 85 or any other section of the Tax Act under which the liability for taxes is deferred or any equivalent provincial provision;

(19) Ansue has withheld from each payment made to any of their present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, all amounts required by Law and will continue to do so until the Closing Time and have remitted such withheld amounts within the prescribed periods to the appropriate Government Authority. If applicable, Ansue has remitted all Canada Pension Plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by it in respect of its employees and have or will have remitted such amounts to the proper Government Authority within the time required by applicable Law;

(20) Save and except as provided in section 3.1(3), there is no Person acting or purporting to act at the request of Ansue who is entitled to any brokerage or finder's fee in connection with the Acquisition;

(21) There are no legal or governmental proceedings pending or, to the knowledge of Ansue, contemplated or threatened, to which Ansue is a party or to which the property of Ansue is subject;

(22) Since the date of its incorporation, Ansue has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed foregoing;

(23) There is not, in the Governing Documents of Ansue any restriction upon or impediment to, the declaration or payment of dividends by the directors of Ansue or the payment of dividends by Ansue to the holders of its securities;

(24) Ansue is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;

(25) Ansue is not a party to any agreement nor is Ansue aware of any agreement, which in any manner affects the voting control of any of the Ansue Shares or other securities of Ansue;

(26) There are no claims, actions, suits, proceedings, investigations, arbitrations, audits, grievances, assessments or reassessments in existence or pending or, to the knowledge of Ansue, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect Ansue or affecting or that would reasonably be expected to affect any of its properties or assets at law or in equity or before or by any court or Government Authority which claim, action, suit, proceeding, investigation, arbitration, audit, grievance, assessment or reassessment involves a possibility of any judgment against or liability of Ansue which would reasonably be expected to cause, individually or in the aggregate, a Material Adverse Change to Ansue or would significantly impede the ability of Ansue to consummate the Acquisition;

(27) Ansue is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to its by-laws and standard indemnity agreements and pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation;

(28) Ansue does not have in place a shareholder rights protection plan;

(29) There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Ansue is a party or by which it is otherwise bound that would now or hereafter in any way limit its business or operations in a particular

manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Ansue from engaging in its business or from competing with any person or in any geographic area;

(30) Ansue is not, and will not be at the time of the Acquisition, a “non-resident” as that term is used for the purposes of the Tax Act; and

(31) No representation, warranty or statement of Ansue in this Agreement, the Circular or the Filing Statement contains or will contain at the Closing Time any untrue statement of a material fact or omit or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading. Ansue will disclose in the Filing Statement all events, conditions or facts related to Ansue which materially affect the condition (financial or otherwise) or business of Ansue taken as a whole.

Section 4.3 Survival

The representations and warranties of each of Ansue and Southern Andes contained herein shall survive the execution and delivery of this Agreement for a period of one year from and after the termination of this Agreement or the Closing Date, as the case may be.

ARTICLE 5 CONDUCT OF BUSINESS

Section 5.1 Conduct of Business by the Parties

Except as required by Law or is otherwise expressly permitted or specifically contemplated by this Agreement, each of the Parties covenants and agrees that, during the period from the date of this Agreement until the earlier of either the Closing Time or the time that this Agreement is terminated by its terms, unless the other Party shall otherwise agree in writing:

(a) Ansue shall and Southern Andes shall cause Caracara, Solex and the Caracara Subsidiary to:

(i) conduct business in, and not take any action except in, the usual and ordinary course of business and consistent with past practice, save and except as contemplated by the Asset Reorganization; and

(ii) maintain all books and records in the usual, regular and ordinary manner.

(b) Ansue shall not take any action which would be reasonably expected to result in the delisting or suspension of the Ansue Shares from the TSXV, other than the present trading halt in connection with the Acquisition, and shall comply, in all material respects, with the rules and regulations thereof.

(c) Ansue shall not, and Southern Andes shall cause Caracara, Solex and the Caracara Subsidiary not to, directly or indirectly, do or permit to occur any of the following, except as otherwise contemplated herein or pursuant to the Asset Reorganization:

- (i) amend its respective Governing Documents;
- (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person;
- (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any securities;
- (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including without limitation, under an issuer bid;
- (v) split, combine or reclassify any of its shares;
- (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of itself;
- (vii) reduce its stated capital;
- (viii) sell, pledge, dispose of or encumber any assets;
- (ix) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer;
- (x) acquire any material assets;
- (xi) incur any indebtedness for borrowed money, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or Person, or make any loans or advances, other than fees payable to legal and accounting advisors in the ordinary course and reasonable fees payable to advisors in connection with the Acquisition;
- (xii) authorize, recommend or propose any release or relinquishment of any material contractual right;
- (xiii) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document;
- (xiv) enter into any agreements with its directors or officers or their respective Associates;

- (xv) enter into new commitments of a capital expenditure nature or incur any new contingent liabilities other than: (1) ordinary course expenditures; (2) expenditures required by Law; (3) expenditures made in connection with the Acquisition; and (4) capital expenditures required to prevent the occurrence of a Material Adverse Effect;
- (xvi) create any new Personnel Obligations or except for payment of the existing Personnel Obligations (from which the applicable Party shall make appropriate withholdings as required by applicable tax Laws), grant to any officer or director an increase in compensation in any form, grant any general salary increase, grant to any other employee any increase in compensation in any form other than routine increases in the ordinary course of business consistent with past practice, make any loan to any officer or director, or take any action with respect to the grant of any severance or termination pay arising from the Acquisition or a change of any Person or the entering into of any employment agreement with, any senior officer or director, or with respect to any increase of benefits payable under its current severance or termination pay policies; and
- (xvii) not adopt or amend or make any contribution to any bonus, profit sharing, option, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with applicable Law or with respect to existing provisions of any such plans, programs, arrangements or agreements without the consent of the other Party.

ARTICLE 6 COVENANTS

Section 6.1 Representations and Warranties

(1) Southern Andes covenants and agrees that from the date hereof until the termination of this Agreement or the Closing Date, it shall not, and it shall cause Caracara, Solex and the Caracara Subsidiary not to, take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in section 4.1 being untrue in any material respect.

(2) Ansue covenants and agrees that, from the date hereof until the termination of this Agreement or the Closing Date, it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in section 4.2 being untrue in any material respect.

Section 6.2 Notice of Material Change

(1) From the date hereof until the termination of this Agreement or the Closing Date, each Party shall promptly notify the other Party in writing of:

- (a) any material change (actual, anticipated, contemplated or, to the knowledge of such Party, threatened, financial or otherwise) in the business, affairs,

operations, assets, liabilities (contingent or otherwise) or capital of Ansue, or in the case of Southern Andes, Caracara, Solex and the Caracara Subsidiary, taken as a whole;

- (b) any change in the facts relating to any representation or warranty set out in section 4.1 or 4.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
- (c) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.

Section 6.3 Non-Solicitation by Southern Andes

(a) From and after the date hereof until the termination of this Agreement, save and except as contemplated by the Asset Reorganization, none of Southern Andes nor any of its officers, directors, employees (other than to the extent required by Law), agents or affiliates (and their officers, directors or employees) (the “**Southern Andes Group Members**”) shall, directly or indirectly: (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than Ansue, relating to the possible acquisition of Caracara, Solex or the Caracara Subsidiary (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of the capital stock or assets of Caracara, Solex or the Caracara Subsidiary, (ii) provide information with respect to Caracara, Solex or the Caracara Subsidiary to any Person, other than Ansue, relating to the possible acquisition of Caracara, Solex or the Caracara Subsidiary (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of their respective capital stock or assets, (iii) enter into an agreement with any Person, other than Ansue, providing for the acquisition of Caracara, Solex or the Caracara Subsidiary (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of its respective capital stock or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of Caracara, Solex or the Caracara Subsidiary (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of its respective capital stock or assets by any Person, other than Ansue. In addition to the foregoing, if any of the Southern Andes Group Members receives any unsolicited offer or proposal to enter negotiations relating to any of the above, Southern Andes shall immediately notify Ansue thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the directors, officers and employees of Southern Andes from exercising their fiduciary duties under applicable Law.

(b) The Southern Andes Group Members may enter into discussions with a third Person who, without solicitation, initiation or encouragement, directly or indirectly, by the Southern Andes Group Members seeks to initiate discussions and may furnish information relating to Caracara, Solex and the Caracara Subsidiary, if: (i) the third party

has made a written *bona fide* proposal (a “**Superior Proposal**”) in respect of which the Southern Andes Board determines: (a) that the possibility that the third Person will be unable to finance the implementation of the Superior Proposal is remote; (b) would result in a transaction financially superior for Southern Andes shareholders than the Acquisition; and (c) that the taking of such action is necessary for the Southern Andes Board in discharge of its fiduciary duties (after receiving the advice of outside counsel); and (ii) Southern Andes notifies Ansue of the Superior Proposal (including the identity of the person making it, a copy of it and any changes to it, and all other information reasonably requested by Ansue), keeps Ansue informed of the status of the Superior Proposal and answers Ansue’s questions with respect to the Superior Proposal.

(c) Southern Andes may accept a Superior Proposal from a third Person only if the Southern Andes Board has concluded that to do so is necessary in discharge of its fiduciary duties (after receiving the advice of outside counsel).

(d) Southern Andes will pay Ansue’s expenses incurred in connection with this Agreement and the Acquisition to a maximum of C\$20,000, should Southern Andes terminate this Agreement and proceed with a Superior Proposal.

Section 6.4 Non-Solicitation by Ansue

From and after the date hereof until the termination of this Agreement, none of Ansue nor any of its officers, directors, employees (other than to the extent required by Law), agents or affiliates (and their officers, directors or employees) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than Southern Andes, relating to the possible acquisition of Ansue or any of its affiliates (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of its capital stock or assets, (ii) provide information with respect to Ansue or any of its affiliates to any Person, other than Southern Andes, relating to the possible acquisition of Ansue or any of its affiliates (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of its capital stock or assets, (iii) enter into an agreement with any Person, other than Southern Andes, providing for the acquisition of such Party or any of its affiliates (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of its capital stock or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of Ansue or any of its affiliates (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any material portion of its capital stock or assets by any Person, other than Southern Andes. In addition to the foregoing, if Ansue or any of its officers, directors, agents, or affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, Ansue shall immediately notify Southern Andes thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the directors, officers and employees of Ansue from exercising their fiduciary duties under applicable Law.

Section 6.5 Other Covenants

- (1) Each of the Parties covenants and agrees that it shall:
 - (a) use all commercially reasonable efforts to consummate the Acquisition;
 - (b) use all commercially reasonable efforts to obtain all appropriate Regulatory Approvals;
 - (c) cooperate in preparing and finalizing the Filing Statement; and
 - (d) not take any action or in the case of Southern Andes, not permit Caracara, Solex or the Caracara Subsidiary to take any action, that would render, or may reasonably be expected to render, any representation or warranty made by either Party in this Agreement untrue in any material respect at any time prior to the Closing Date or the termination of this Agreement, whichever is first.

ARTICLE 7 MUTUAL COVENANTS

Section 7.1 Other Filings

The Parties shall, as promptly as practicable hereafter, prepare and file all filings required under any securities Laws, the rules of the TSXV or any other applicable Laws relating to the Acquisition.

Section 7.2 Additional Agreements

Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Acquisition and to cooperate with each other in connection with the foregoing, including, as applicable, using commercially reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements;
- (b) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the Acquisition;
- (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the Acquisition;
- (d) to effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities; and

- (e) to fulfill all conditions and satisfy all provisions of this Agreement.

ARTICLE 8 CONDITIONS

Section 8.1 Mutual Conditions Precedent

(1) The respective obligations of the Parties hereto to complete the Acquisition shall be subject to the satisfaction, on or before the Closing Date, of the following conditions precedent, each of which may be waived only by the mutual consent of the Parties:

- (a) there shall not be in force any order or decree restraining or enjoining the consummation of the Acquisition;
- (b) this Agreement shall not have been terminated pursuant to Article 9;
- (c) the issuance of the Consideration Shares shall have been accepted by the TSXV;
- (d) all Regulatory Approvals shall have been obtained; and
- (e) Southern Andes shall have received requisite shareholder approval in respect of the Southern Andes Special Business.

If any of the above conditions shall not have been satisfied or waived by the Parties on or before the Closing Date or, if earlier, the date required for the performance thereof, then a Party may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by the Party terminating the Agreement. If the failure to satisfy any one or more of the above conditions precedent results from a material default by a Party of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, such defaulting Party shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own non-compliance with its obligations under this Agreement.

Section 8.2 Additional Conditions Precedent to the Obligations of Ansue

(1) The obligations of Ansue to complete the Acquisition shall also be subject to the satisfaction, on or before the Closing Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Ansue and may be waived by Ansue and any one or more of which, if not satisfied or waived, will relieve Ansue of any obligation under this Agreement):

- (a) no Material Adverse Change with respect to Caracara, Solex and the Caracara Subsidiary shall have occurred between the date hereof and the Closing Date;

- (b) Ansue shall have received a title opinion, satisfactory to Ansue in its sole discretion, acting reasonably, in respect of the Silver Projects;
- (c) Southern Andes shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Southern Andes contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter;
- (d) all representations and warranties made in this Agreement by Southern Andes shall be true and correct in all material respects as if made on the Closing Date, except for any representations and warranties which are already qualified as to materiality which must be true and correct in all respects;
- (e) no Law or governmental order by any Government Authority, nor any Order of any court under any applicable Law, shall have been entered or issued which is in effect and has the effect of making the sale of the Transferred Shares to Ansue illegal, or otherwise prohibiting consummation thereof or of the Acquisition; and
- (f) Southern Andes shall have performed in all material respects all of its covenants and agreements hereunder to be performed on or prior to the Closing Date and shall deliver or cause to be delivered at the Closing:
 - (i) a certified copy of the resolutions of the Southern Andes Board and the shareholders of Southern Andes approving the execution, delivery and performance of this Agreement and the Acquisition;
 - (ii) a certificate of a senior officer of Southern Andes that, to the best of such officer's knowledge and except as such officer may therein specify, the representations and warranties herein of Southern Andes are true and correct in all respects as of the Closing Date, except for any representations and warranties which are already qualified as to materiality which must be certified as being true and correct in all respects and that Southern Andes has performed, in all material respects, its covenants and agreements to be performed hereunder on or prior to the Closing Date;
 - (iii) a certificate of a senior officer of Southern Andes, dated as of the Closing Date, in form and substance reasonably satisfactory to Ansue as to the performance of the respective covenants, agreements and obligations of Southern Andes to be performed or completed at or before the Closing;
 - (iv) a certificate of an officer of Southern Andes, dated as of the Closing Date, in form and substance reasonably satisfactory to Ansue as to the

incumbency and valid signatures of the officers of Southern Andes who executed this Agreement; and

- (v) such other approvals, documents, instruments, certificates or opinions dated as of the Closing Date, as would be usual in completing transactions of the nature contemplated by this Agreement or as are, in the opinion of counsel for Ansue, reasonably necessary or desirable to consummate the Acquisition.

If any of the above conditions in shall not have been complied with or waived by Ansue on or before the Closing Date or, if the Acquisition is to be completed earlier, the date required for the performance thereof, then Ansue may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Ansue. If the failure to satisfy any one or more of the above conditions precedent results from a material default by Ansue of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, Ansue shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own non-compliance with its obligations under this Agreement.

Section 8.3 Additional Conditions Precedent to the Obligations of Southern Andes in Respect of the Acquisition

(1) The obligations of Southern Andes to complete the Acquisition shall also be subject to the satisfaction, on or before the Closing Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Southern Andes and may be waived by Southern Andes and any one or more of which, if not satisfied or waived, will relieve Southern Andes of any obligation under this Agreement):

(a) no Material Adverse Change with respect to Ansue shall have occurred between the date hereof and the Closing Date;

(b) Ansue shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Ansue contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect until completion of the Acquisition;

(c) no Law or government order by any government authority, nor any order of any court under any applicable Law, shall have been entered or issued which is in effect and has the effect of making the sale of the Transferred Shares to Ansue illegal, or otherwise prohibiting consummation thereof or of the Acquisition;

(d) Ansue shall have performed in all material respects all of its covenants and agreements hereunder to be performed on or prior to the Closing Date and shall deliver or cause to be delivered at the Closing:

- (i) a certified copy of the resolutions of the Ansue Board approving the execution, delivery and performance of this Agreement and the Acquisition;
- (ii) a certificate of a senior officer of Ansue that, to the best of such officer's knowledge and except as such officer may therein specify, the representations and warranties herein of Ansue are true and correct in all respects as of the Closing Date, except for any representations and warranties which are already qualified as to materiality which must be certified as being true and correct in all respects and that Ansue has performed, in all material respects, its covenants and agreements to be performed hereunder on or prior to the Closing Date;
- (iii) a certificate of a senior officer of Ansue, dated as of the Closing Date, in form and substance reasonably satisfactory to Southern Andes as to the performance of the respective covenants, agreements and obligations of Ansue to be performed or completed at or before the Closing;
- (iv) a certificate of an officer of Ansue, dated as of the Closing Date, in form and substance reasonably satisfactory to Closing Date as to the incumbency and valid signatures of the officers of Ansue who executed this Agreement;
- (v) all of the directors and officers of Ansue (save and except for Anne B. Chopra in her capacity as a director) shall have resigned and shall have provided releases to and in favour of Ansue, in form and substance reasonably satisfactory to Southern Andes;
- (vi) the following individuals shall have been appointed to the Ansue Board as of the Closing:

Nick Tintor
Robert Boaz
Stephen Coates
John Cook
Anne B. Chopra

- (vii) the following individuals shall have been appointed as officers of Ansue as of the Closing holding the positions set forth opposite their respective names below:

<u>Name</u>	<u>Office</u>
Nick Tintor	President and Chief Executive Officer
Stephen Gledhill	Chief Financial Officer
Leslie Haddow	Corporate Secretary

- (viii) Southern Andes shall have received proof to its reasonable satisfaction that in addition to funds raised pursuant to the Financing, on the Closing Date, Ansue will have approximately C\$150,000 in net free available cash and the only accounts payable of Ansue shall be those related to transactional costs related to completion of the Acquisition; and
 - (ix) such other approvals, documents, instruments, certificates or opinions dated as of the Closing Date, as would be usual in completing transactions of the nature contemplated by this Agreement or as are, in the opinion of counsel for Southern Andes reasonably necessary or desirable to consummate the Acquisition, including without limitation, an agreement pursuant to which Ansue agrees to be bound by the Issuance Obligation.
- (e) Ansue shall have completed the Financing on or before May 16, 2011.

If any of the above conditions shall not have been complied with or waived by Southern Andes on or before the Closing Date or, if the Acquisition is to be completed earlier, the date required for the performance thereof, then Southern Andes may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Southern Andes. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by Southern Andes of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, Southern Andes shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own non-compliance with its obligations under this Agreement.

Section 8.4 Actions to Satisfy Closing Conditions

Each Party shall take all such action as is within its power to control, and shall use its reasonable commercial efforts to cause other actions to be taken which are not within its power to control, to the extent not otherwise provided for herein, so as to ensure compliance with all conditions which are for the benefit of the other Party. The Parties will cooperate in exchanging such information and providing such assistance as may be reasonably required in connection with the foregoing.

ARTICLE 9 TERMINATION AND AMENDMENT

Section 9.1 Termination

This Agreement may be terminated by written notice promptly given to the other Parties hereto, at any time prior to the Effective Date:

- (a) by mutual agreement in writing by the Parties;

- (b) by any Party if the Closing Date has not occurred by the Completion Deadline;
- (c) by Southern Andes if it shall accept a Superior Proposal;
- (d) by Southern Andes if Ansue has not completed the financing on or before May 16, 2011;
- (e) by Southern Andes if the Ansue Shares are de-listed from the TSXV (without being listed on the TSX), which for the purposes of this section shall exclude NEX; or
- (f) as set forth in sections 8.1, 8.2 and 8.3.

Section 9.2 Effect of Termination

In the event of the termination of this Agreement as provided in section 9.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Ansue, or Southern Andes, hereunder except as set forth in section 9.3 (or section 6.3(d)) and this section, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement, including from the inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

Section 9.3 Fees and Expenses

Except as set forth herein, the Parties shall be responsible for the payment of their own professional fees (including but not limited to legal and accounting fees) and other expenses incurred by them in connection with this Agreement and the completion of the Acquisition.

Section 9.4 Amendment

This Agreement may, at any time on or before the Closing Date, be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

Section 9.5 Waiver

A Party may (i) extend the time for the performance of any other Party's obligations, (ii) waive compliance with any other Party's agreements or the fulfillment of any of its conditions contained herein or (iii) waive inaccuracies in another Party's representations or warranties owed to it and contained herein or in any document delivered by such other Party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Parties and, unless otherwise provided in the written extension or waiver, will be limited to the specific breach or condition waived.

ARTICLE 10 INDEMNIFICATION

Section 10.1 Indemnification by Southern Andes

Southern Andes shall indemnify Ansue and its directors and officers, employees and agents against and agrees to hold them harmless from any and all damages, claims, losses, liabilities, fines, penalties and expenses (including reasonable legal fees) (a "**Claim**") incurred or suffered by any of them arising out of any misrepresentation or breach of warranty, covenant or agreement made or to be performed by Southern Andes pursuant to this Agreement or arising in any way out of Solex's ownership or operation of the Uranium Assets including, but not limited to, liability for any environmental damage.

Section 10.2 Indemnification by Ansue

Ansue shall indemnify Southern Andes and its directors, officers, employees and agents against and agrees to hold them harmless from any and all Claims incurred or suffered by any of them arising out of any misrepresentation or breach of warranty, covenant or agreement made or to be performed by Ansue under this Agreement.

Section 10.3 Claims of Indemnity

Any indemnified Party under this Article shall give prompt notice to the indemnifying Party or Parties of any claim, action, proceeding or circumstances that could reasonably give rise to such a Claim. Inadvertent failure to give such prompt notice will not preclude the indemnified Party from pursuing the Claim unless and to the extent that the indemnifying Party is materially prejudiced by such failure. The indemnifying Party may, and shall if so requested by the indemnified Party, at its own expense and in the name of the indemnified Party or otherwise, dispute any Claim made, or any matter on which a Claim could be made, by a third party in respect of which a notice has been given by the indemnified Party under this section and may retain legal counsel to have conduct of any proceeding relating to such a Claim. The indemnified Party may employ separate counsel with respect to any such Claims brought by a third party and participate in the defence thereof, provided that fees and expenses of such counsel shall be the responsibility of the indemnified Party unless:

- (1) the indemnifying Party fails to assume the defence of such Claim on behalf of the indemnified Party within ten days of receiving notice of such claim; or
- (2) the employment of such counsel has been authorized by the indemnifying Party,

in either of which cases the indemnifying Party shall not have the right to assume the defence of such suit on behalf of the indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel for the indemnified Party. For the purpose of confirming or disputing such a Claim, the indemnified Party shall provide full and complete disclosure to the indemnifying Party and complete access to and right of inspection by the representatives of the indemnifying Party of all documents and records in the possession or control of the indemnified Party relating to such Claim. If any security is required to be provided for the purpose of defending or contesting any such Claim, including, without limitation, any appeal of any judgment, the indemnifying Party shall provide such security and all monies or property representing such security received by the indemnified Party as a result of a successful defense or contestation shall be held in trust by the indemnified Party for the benefit of the indemnifying Party and shall be remitted to the indemnifying Party on demand. Neither the indemnified Party nor the indemnifying Party shall settle, compromise or pay any Claim for which indemnity is sought hereunder except with the prior written consent of the other, such consent not to be unreasonably withheld, or in the case of the indemnified Party, unless the indemnifying Party fails to dispute and defend such Claim.

Section 10.4 Agency for Representatives

Each of Southern Andes and Ansue agrees that it accepts each indemnity in favour of any of its directors, officers, employees or agents, as the case may be, as agent and trustee of that director, officer, employee or agent. Each Party agrees that Ansue or Southern Andes, as the case may be, may enforce an indemnity in favour of any of that Party's directors, officers, employees or agents.

Section 10.5 Limitations

Notwithstanding anything else in this Agreement:

(1) the amount which an indemnifying Party is required to pay in respect of a Claim pursuant to this Article shall be reduced by any foreign or local Tax benefit to the indemnified Party applicable to the amount of the Claim (calculated on a net present value basis by the indemnified Party, acting reasonably) and by the amount of any insurance proceeds available to the indemnified Party in respect of the Claim; and

(2) in no event will any Party be liable for any indirect, consequential, special or incidental damages, including without limitation, damages resulting from loss of profits.

Section 10.6 Exclusive Rights

The rights of indemnity set forth in this Article are intended to be and will be the sole and exclusive right and remedy of the Parties in respect of any Claim under this Agreement and the Acquisition (save and except as provided in sections 6.3(d) and 9.3).

ARTICLE 11 GENERAL

Section 11.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

if to Southern Andes:

120 Adelaide Street West
Suite 2400
Toronto, ON M5H 1T1

Attention: Leslie Haddow, Corporate Secretary
Facsimile: (416) 363-8858

with a copy to (which shall not constitute notice to Southern Andes):

Cassels Brock & Blackwell LLP
2100 Scotia Plaza, 40 King Street West
Toronto, ON M5H 3C2

Attention: Cathy Mercer
Facsimile: (416) 350-6927

if to Ansue

#490-580 Hornby Street
Vancouver, BC V6C 3B6

Attention: Suzanne Wood or Anne Chopra
Facsimile: (604) 684-0342

with a copy to (which shall not constitute notice to Ansue):

Chamberlain Hutchison
155 Glenora Gates
10403 – 122 Street
Edmonton, AB T5N 4C1

Attention: Andrew Chamberlain
Facsimile: (780) 426-1293

Section 11.2 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

Section 11.3 Publicity

So long as this Agreement is in effect, Ansue and Southern Andes shall advise, consult and cooperate with each other prior to issuing, or permitting any of its directors, officers, employees or agents to issue, any press release or other written public or private statement to the press with respect to this Agreement and the Acquisition from the date hereof until the Closing Date. The Parties shall not issue any such press release or make any such written public or private statement prior to such consultation, except as may be required by applicable Law or by obligations pursuant to any listing agreement with a stock exchange and only after using its reasonable efforts to consult with the other Party taking into account the time constraints to which it is subject as a result of such Law or obligation.

Section 11.4 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other Party, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

Section 11.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties,

including without limitation, the LOI. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 11.6 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 11.7 Counterpart Execution

This Agreement may be executed in one or more counterparts (by original or telefacsimile signature) each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 11.8 Investigation by Parties

No investigations made by or on behalf of any Party or any of its respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by another Party in or pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ANSUE CAPITAL CORP.

By: “Suzanne Wood”
Name: Suzanne Wood
Title: President, CEO and CFO

SOUTHERN ANDES ENERGY INC.

By: “Nick Tintor”
Name: Nick Tintor
Title: President and CEO

SCHEDULE "A"
LIST OF PROPERTIES

ALPACA EXPLORACIONES SAC: Caracara Silver

Groupings with concessions involved

N°	Claim Name	Area (ha.)	Legal Status as of September 30th 2010
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PRINCESA GROUPING

1	OJOTAÑA	600	Registered to SDP
2	PRINCESA	200	Registered to SDP
3	PRINCESA 2	200	Registered to SDP
4	PRINCESA 3	900	Registered to SDP
5	PRINCESA 4	600	Registered to SDP
6	PRINCESA 6	1000	In process at INGEMMET
7	PRINCESA 7	1000	In process at INGEMMET
8	NICARAGUA	900	In process at INGEMMET
9	PICHICHUANE	200	Pending registration in favor of Alpaca Exploraciones
10	POMATI DEL INCA	100	Pending registration in favor of Alpaca Exploraciones
11	PUMANUTA	200	Pending registration in favor of Alpaca Exploraciones
12	JUAN JOSE FORTALEZA	900	In process at INGEMMET
13	PICHICHUANE 2	1000	In process at INGEMMET
14	TRES AVENTUREROS	900	In process at INGEMMET
15	JALAHUEÑA SOL	1000	In process at INGEMMET
16	TAUCANE SOL	800	In process at INGEMMET

Total Princesa:	10,500
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PILUNANI GROUPING

1	CARCUTA 3	900	Registered to SDP
2	CARCUTA 5	1000	Registered to SDP
3	CONDORQUINA 2	1000	Registered to SDP
4	JATUNTARUCANE 2	1000	Registered to SDP
5	MILAGROS 2	900	Registered to SDP
6	MILAGROS 3	600	Registered to SDP
7	MILAGROS WP	100	Registered to SDP
8	PILUNANI	1000	Registered to SDP
9	PUPUSANI 2	900	Registered to SDP
10	SELORA 1	900	Registered to SDP
11	SELORA 2	1000	Registered to SDP
12	SELORA 3	1000	Registered to SDP
13	SELORA 4	1000	Registered to SDP
14	VANEPAL	100	Registered to SDP
15	CERRO PUPUSANI AH	100	Pending registration in favor of Alpaca Exploraciones
16	MARCIA	900	In process at INGEMMET
17	CERRO PUPUSANI 2	700	In process at INGEMMET
18	NUEVO PILUNANI 2	1000	In process at INGEMMET

Total Pilunani:	14,100
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Note: Concessions highlighted in yellow are pending to record in favor of Alpaca Exploraciones. The rest of concessions are pending to obtain their respective titles and pending to transfer from Solex del Peru to Alpaca Exploraciones.

SCHEDULE "B"
INDEBTEDNESS/LIABILITIES

Caracara Silver Inc.

Third cash payment to Cybersonic	US\$120,000.00	Payable on or before October 30, 2011
Fourth cash payment to Cybersonic	US\$280,000.00	Payable on or before October 30, 2012
Legal, regulatory and audit fees related to the Ansue transaction	\$75,000.00	Estimated
Intercompany loan (Southern Andes Energy Inc.)	\$207,000.00	Included in Section 2.4 Interco Debt
Renewal of license fees for 2010 -2011 (Silver claims)	US\$99,000.00	

Alpaca Exploraciones SAC

Intercompany loan (Solex Uranium SAC)	\$45,000.00	Included in Section 2.4 Interco Debt
Legal, regulatory and audit fees related to the Ansue transaction	\$5,000.00	Estimated

Solex del Peru SAC

Legal, regulatory and audit fees related to the Ansue transaction	\$15,000.00	Estimated
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SCHEDULE "C"
LIST OF LIENS

There are 32,998 Ha in concessions owned by Alpaca Exploraciones SAC or in the process of being transferred from Solex to Alpaca.

The fees to be paid to the government are US\$ 3 per Ha per year. Therefore the total liens are:

- US\$ 99,000 corresponding to year 2010, due to be paid in June 2011.
- US\$ 99,000 corresponding to year 2011 due to be paid in June 2012.

There are no other liens on the properties.

SCHEDULE "D"
CONTRACTS

Caracara Silver has 2 contracts.

The first contract is the Purchase Agreement between Cybersonic Ltd., Alapaca Exploraciones S.A.C., and Caracara Mining Inc. (now known as Caracara Silver Inc.), dated September 27, 2010.

The second contract is the Amendment to the Purchase Agreement between Cybersonic Ltd., Alpaca Exploraciones S.A.C., and Caracara Silver Inc. (previously known as Caracara Mining Inc.), dated April 8, 2011.

The contracts have the following fees due: US\$120,000 due on October 30, 2011, and US\$280,000 due on October 30, 2012.

There are no other contracts.