

**FILING STATEMENT
ANSUE CAPITAL CORP.
(TO BE RENAMED CARACARA SILVER INC.)**

**IN CONNECTION WITH THE QUALIFYING TRANSACTION
INVOLVING THE ACQUISITION OF CARACARA SILVER INC. (TO BE RENAMED A
NAME TO BE DETERMINED),
A WHOLLY-OWNED SUBSIDIARY OF SOUTHERN ANDES ENERGY INC. BY
ANSUE CAPITAL CORP.**

July 29, 2011

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

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**PART 1
GENERAL**

Glossary

The following is a glossary of certain terms used in this Filing Statement, including the summary hereof. Certain capitalized terms used but not defined in this glossary shall have the meaning specified for that term in Exchange Policy 1.1 – Interpretation. Terms and abbreviations used in the financial statements of Ansue Capital Corp. (“Ansue”) the consolidated financial statements of Caracara Silver Inc. (“Caracara”), the carve-out financial statements of Solex Del Peru SAC (“Solex”), the carve-out financial statements of Southern Andes Energy Inc. (“Southern Andes”), these three together, the carve-out combined financial statements of Southern Andes – Silver Operations (“Southern Andes – Silver Operations) and the pro forma balance sheet of the Resulting Issuer and in the schedules to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

“**Acquisition**” means the proposed acquisition of all of the issued and outstanding shares of Caracara, and thus indirectly all of the shares of Alpaca, as well as all of the issued and outstanding shares of Solex and the silver assets of Southern Andes, pursuant to the terms of the Qualifying Transaction Agreement;

“**Affiliate**” means a company that is affiliated with another company as described below.

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

“**Ag**” means silver;

“**Agency Agreement**” means the agency agreement between Ansue and the Agents dated May 31, 2011;

“**Agents**” means BayFront Capital Partners Ltd. and Haywood Securities Inc.;

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

“**Ansue**” means Ansue Capital Corp., a corporation incorporated pursuant to the BCBCA;

“Ansue Agent’s Warrants” means the 140,000 pre-consolidation agent’s warrants to purchase Ansue Shares issued to agents in connection with the IPO of Ansue for an exercise price of \$0.10 per Ansue Share and expire on May 21, 2012;

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

“Ansue MD&A” means the Management Discussion and Analysis for Ansue for the year ended January 31, 2011;

“Ansue Options” means the incentive stock options previously granted by Ansue to its officers and directors under stock option agreements to purchase up to 400,000 pre-Consolidation Ansue Shares at any time until June 2, 2015 at an exercise price of \$0.10 per Ansue Share (See *“Part 5 – Information Concerning Ansue – Stock Option Plan”*);

“Ansue Shareholder” means a holder of Ansue Shares;

“Ansue Shareholder Meeting” means the annual general and special meeting of the Ansue Shareholders to be held on July 15, 2011 to approve, among other things, the financial statements of Ansue as at and for the year ended January 31, 2011, the Consolidation, the Name Change, and the Stock Option Plan;

“Ansue Shares” means the participating, voting class A common shares without par value in the capital of Ansue;

“Ansue Subscription Receipts” means the subscription receipts of Ansue issued pursuant to the Offering with each subscription receipt being automatically convertible into an Ansue Unit immediately upon completion of the Escrow Release Conditions;

“Ansue Units” means the units of Ansue issuable upon conversion of the Ansue Subscription Receipts, with each Ansue Unit comprised of one Ansue Share in the capital of the Corporation, on a post-consolidation basis, and one-half of one common share purchase warrant, on a post-consolidation basis (each whole warrant, a **“Resulting Issuer Warrant”**);

“Associate” when used to indicate a relationship with a Person, means

- (a) a company of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the company,
 - (b) any partner of the Person,
 - (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity, or
 - (d) in the case of a Person, a relative of that person, including
 - (i) that Person's spouse or child, or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;
- but
- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a

Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) as amended from time to time;

“**business day**” means a day, other than a Saturday, Sunday or statutory holiday in Ontario or British Columbia;

“**Caracara**” means Caracara Silver Inc., a corporation incorporated pursuant to the OBCA;

“**Caracara MD&A**” means the management discussion and analysis for Caracara as at and for the nine-months ended March 31, 2011;

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

“**Caracara Shareholder**” means a holder of Caracara Shares;

“**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time;

“**Closing**” means the closing of the Qualifying Transaction;

“**Closing Date**” means the date of closing of the Offering, being May 31, 2011;

“**company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

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

“**Consideration**” means the aggregate of the Consideration Shares, the assumption of the Interco Debt and the Issuance Obligation;

“**Consideration Shares**” means 100 million Ansue Shares (on a pre-Consolidation basis);

“**Control Person**” means any Person that holds or is one of a combination of Persons that hold a sufficient number of securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding securities of a company except where there is evidence showing that the holder of those securities does not materially affect the control of the company;

“**Consolidation**” means the consolidation of Ansue Shares on the basis of one post-Consolidation Ansue Share for every three Ansue Shares issued and outstanding immediately before the consolidation;

“**CPC**” means a corporation (a) that has been incorporated or organized in a jurisdiction in Canada; (b) that has filed and obtained a receipt for a preliminary capital pool company prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and (c) in regard to which the completion of a Qualifying Transaction has not yet occurred;

“**CPC Escrow Agreement**” means the Form 2F CPC escrow agreement dated March 22, 2010 among Ansue, the Escrow and Transfer Agent and each of the directors of Ansue in respect of the 2,000,000 seed capital pre-Consolidation Ansue Shares;

“**CPC Escrow Shares**” means the Ansue Shares held in escrow pursuant to Section 11 of the CPC Policy and to be released in accordance with the following timeline:

% of Ansue Shares Released from Escrow		
<u>Tier 2 Issuer</u>	<u>Tier 1 Issuer</u>	<u>Release Date</u>
10%	25%	Date of Final Exchange Bulletin
15%	25%	6 months from Final Exchange Bulletin
15%	25%	12 months from Final Exchange Bulletin
15%	25%	18 months from Final Exchange Bulletin
15%	n/a	24 months from Final Exchange Bulletin
15%	n/a	30 months from Final Exchange Bulletin
15%	n/a	36 months from Final Exchange Bulletin

“**CPC Policy**” means Policy 2.4 — *Capital Pool Companies* set out in the TSXV Corporate Finance Manual, as amended from time to time;

“**Cybersonic**” means Cybersonic Ltd.;

“**DDH**” means Diamond Drill Hole;

“**Engagement Letter**” means the engagement letter between Ansue and BayFront dated April 21, 2011;

“**Escrow and Transfer Agent**” means Computershare Trust Company of Canada;

“**Escrow Release Conditions**”, as it relates to the exercise of Ansue Subscription Receipts into Ansue Units, means the occurrence of each of the following events:

1. The receipt of all regulatory approvals required to complete the Acquisition (including without limitation the conditional approval of the TSXV or if applicable, the Toronto Stock Exchange);
2. Southern Andes and Ansue having confirmed that all conditions under the Qualifying Transaction Agreement in respect of the Acquisition have been satisfied;
3. The Ansue Units to be issued upon exercise of the Ansue Subscription Receipts will, subject to requisite escrow requirements of regulatory authorities related to insiders of Ansue, only be subject to the statutory hold period of four months plus one day; and
4. the delivery of the release certificate to the Subscription Receipt Agent in accordance with the terms of Subscription Receipt Agreement;

“**Exchange**” or “**TSXV**” means the TSX Venture Exchange Inc.;

“**Filing Statement**” means this filing statement of Ansue, including the schedules hereto;

“**Filing Statement Date**” means the date of this Filing Statement, being July 29, 2011;

“**Final Exchange Bulletin**” means the Exchange bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation that evidences the final Exchange acceptance of the Qualifying Transaction;

“**g/t**” means grams per metric tonne;

“**GAAP**” means generally accepted accounting principles in Canada;

“**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;

“**HLEM**” means Horizontal Loop Electromagnetic;

“**INACC**” means Instituto Nacional de Concesiones y Catastro Minero;

“**Insider**” if used in relation to a company, means:

- (a) a director or officer of a company;
- (b) a director or officer of a company that is an Insider or subsidiary of the company;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the company; or
- (d) the company itself if it holds any of its own securities;

“**Interco Debt**” refers to the intercorporate debt owed by Caracara and/or Alpaca and/or Solex to Southern Andes in the estimated cumulative amount of \$250,000;

“**IPO**” refers to an initial public offering;

“**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, 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;

“**Law**” 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;;

“**Letter Agreement**” means the Letter Agreement dated April 13, 2011 between Ansue and Southern Andes;

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

“Name Change” means the proposed change of Ansue’s name to Caracara Silver Inc. or such other name as may be approved by Ansue, Caracara and the Exchange and any other governmental authority having jurisdiction;

“Named Executive Officers” means Nick Tintor, Stephen Gledhill and Leslie Hadow;

“Non-Arm’s Length Party” means in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.;

“Non-Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the Qualifying Transaction;

“Offering” means the private placement offering by Ansue of 14,242,501 Ansue Subscription Receipts for gross proceeds of approximately \$6,409,125 (see *“Part 3 – Description of the Transactions – The Offering”*);

“Offering Price” means \$0.45, the price at which each Ansue Subscription Receipt is sold under the Offering;

“oz/t” means ounces per short ton;

“Pb” means lead;

“Person” means a company or an individual;

“Pilunani Project” means the non-material property of the Resulting Issuer comprising the 18 mining concessions covering an area totalling approximately 14,100 hectares which are held by Solex Del Peru SAC and Alpaca Exploraciones SAC, which are located in Peru.

“Princesa Project” means the material property of the resulting issuer comprising the 13 mining concessions covering an area totalling approximately 10,000 hectares which are held by Solex Del Peru SAC and Alpaca Exploraciones SAC, which are located 1,000 km southeast of Lima, the capital of Peru;

“Princesa Purchase Agreement” means the purchase agreement dated September 27th, 2010 as between Cybersonic, Alpaca and Caracara pursuant to which Caracara purchased the right to technical databases detailing the Princesa Project area;

"Princesa Technical Report" means the NI 43-101 compliant technical report for the Princesa Project dated January 15, 2011;

"Promoter" means,

- (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or
- (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10 percent or more of any class of securities of the issuer or 10 percent or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business;

"QC/QA" means Quality Control/Quality Assurance;

"Qualifying Transaction" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. In relation to Anseu, the **"Qualifying Transaction"** means the Acquisition;

"Qualifying Transaction Agreement" means the Qualifying Transaction Agreement dated April 13, 2011 between Southern Andes and Anseu in respect of the Acquisition;

"Regulatory Approvals" 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;

"Resulting Issuer" means Anseu Capital Corp. as such corporation is renamed "Caracara Silver Inc." or such other name as may be approved by Caracara and the Exchange and any other governmental authority having jurisdiction, that will exist after the Qualifying Transaction;

"Resulting Issuer's Agent's Warrants" means the 854,550 broker warrants which were issued pursuant to the Offering to the Agents exercisable into additional units of Anseu on a post consolidation basis for the exercise price of \$0.45 per Anseu Unit for a term of 24 months from the closing of the Offering;

"Resulting Issuer Escrowed Principals Securities" means the definition set out in *"Part 7 – Information Concerning the Resulting Issuer – Escrow Shares of the Resulting Issuer – Principals' Securities"*.

"Resulting Issuer's Principals Escrow Agreement" means the definition set out in *"Part 7 – Information Concerning the Resulting Issuer – Escrow Shares of the Resulting Issuer – Principals' Securities"*.

"Resulting Issuer Securities" means the Resulting Issuer Shares, Resulting Issuer Warrants and Resulting Issuer Agent's Warrants;

"Resulting Issuer Shares" means the common shares in the capital of the Resulting Issuer;

"Resulting Issuer Warrants" means the 7,121,250 warrants issued pursuant to the exercise of the 7,121,250 Anseu Units, with each Anseu Warrant entitling the holder thereof to acquire one additional

Ansue Share, on a post-consolidated basis at a price of \$0.60 until May 31, 2013 provided that, if after the date that is four months and a day from May 31, 2011, the weighted average closing price of the Ansue Shares, as traded on the TSXV equals or exceeds \$0.90 per Ansue Share, subject to adjustment, for any period of 20 consecutive trading days, the right to exercise the Ansue Warrant expires within 30 days after notice of such event is mailed to the warrant holders.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange;

“Silver Projects” means the silver projects of Caracara, Southern Andes, Solex and Alpaca, comprising the Princesa Project and the Pilunani Project located in Peru;

“Solex” means Solex Del Peru SAC;

“Solex MD&A” means the management discussion and analysis for carve-out Solex as at and for the 9 months ended March 31, 2011;

“Southern Andes” means Southern Andes Energy Inc.;

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

“Southern Andes MD&A” means the management discussion and analysis for carve-out Southern Andes as at and for the 9 months ended March 31, 2011.

“Southern Andes Special Business” means special business conducted at a special meeting of shareholders of Southern Andes (the **“Southern Andes Meeting”**) held on May 19, 2011, pursuant to which the acquisition was approved;

“Stock Option Plan” means the stock option plan of Ansue approved by Ansue shareholders at the Ansue Shareholder Meeting on July 15, 2011 which will be the stock option plan of the Resulting Issuer upon completion of the Qualifying Transaction;

“Subscription Receipt Agreement” means the subscription receipt agreement dated May 31, 2011 as between Ansue, Computershare Trust Company of Canada and BayFront Capital Partners Ltd.;

“Transferred Shares” means the shares of Caracara, Solex and Alpaca being acquired by Ansue;

“VLF” means Vertical Low Frequency; and

“Zn” means zinc.

Words importing the singular number also include the plural and vice versa, and words importing any gender include all genders.

All dollar amounts herein are in Canadian dollars, unless otherwise stated.

Cautionary Statements Regarding Forward Looking Statements

This Filing Statement contains certain “forward looking statements”. These statements relate to future events or future performance and reflect our expectations and belief regarding growth, results of operations, performance, business prospects, opportunities or industry performance and trends of Ansue, Caracara and the Resulting Issuer. These forward looking statements reflect current internal projections, expectations or beliefs of Ansue and Caracara and are based on information available to Ansue and Caracara. In some cases, forward looking statements can be identified by words such as “may”, “will”,

“should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these words or other comparable terminology. A number of factors could cause actual events or results to differ materially from the results discussed in the forward looking statements. In evaluating these statements, prospective investors should specifically consider various factors, including, but not limited to, the risks and uncertainties discussed under “*Part 4 – Risk Factors*” and elsewhere in this Filing Statement. Actual results may differ materially from any forward looking statement. Although management of Ansue and Caracara believe that the forward looking statements contained in this Filing Statement are based upon reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward looking statements. These forward looking statements are made as of the Filing Statement Date, and the management of Ansue and Caracara and the proposed management of the Resulting Issuer assume no obligation to update or revise them to reflect new events or circumstances, except as required by securities legislation.

PART 2 SUMMARY

The following is a summary of information relating to Ansue, Caracara, Southern Andes, Solex and Alpaca and the Resulting Issuer (assuming completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

General

This Filing Statement is prepared in accordance with the CPC Policy and Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction* – in connection with the Acquisition pursuant to the Qualifying Transaction Agreement.

About Ansue

Ansue is a CPC that completed its initial public offering on May 19, 2010. It has not carried on any operations and trading in its common shares has been halted since March 1, 2011. Its common shares are listed on the Exchange and trade under the symbol ASU.P. Ansue has entered into the Qualifying Transaction Agreement with Southern Andes pursuant to which Ansue will acquire all of the issued and outstanding shares of Caracara and thus indirectly all of the shares of Alpaca, as well as all of the issued and outstanding shares of Solex in exchange for the Consideration. The Acquisition will constitute Ansue's Qualifying Transaction.

About Caracara

Caracara is a wholly owned subsidiary of Southern Andes Energy Inc., which is a TSXV listed mining company with a focus on the Macusani Uranium District of Peru.

Caracara controls, through itself and its wholly owned subsidiary, Alpaca, and Solex more than 24,000 hectares of land along the Princesa-Pilunani mineralized trend located 210 kilometres north of Juliaca, in Southern Peru. On the key Princesa silver-zinc-lead project, historic drilling of 6,889 metres led to the estimation of NI 43-101 compliant inferred mineral resources of 4.6 million tonnes grading 90.88 grams silver per tonne, 1.69% zinc and 1.66% lead along a zone striking for 1.5 kilometres and to a depth of 150 metres.

The potential to increase resources at Princesa is deemed to be good as the main mineralized zone remains open along strike and at depth.

Caracara is a "private company" as defined in the *Securities Act* (Ontario), and no securities of Caracara have ever traded on any stock exchange. See "*Part 6 – Information Concerning Caracara – Prior Sales of Securities*".

Caracara is managed by an experienced group of mining officers and directors. Subject to and following completion of the Qualifying Transaction (i.e. the Acquisition) and all necessary approvals, the following individuals are expected to be the directors and officers of the resulting issuer:

Nick Tintor – President, CEO and a Director.

Stephen Gledhill – Chief Financial Officer

Leslie Haddow – Corporate Secretary

Robert Boaz – Director

Stephen Coates – Director

John Cook – Director

Anne B. Chopra - Director

Nicholas Tintor – President, CEO and Director – Mr. Tintor is President & Chief Executive Officer and a Director of Southern Andes Energy Inc. From January 2007 to March 2011, he acted as the President & CEO and a Director of Homeland Uranium Inc.

A graduate of the University of Toronto (B.Sc., Geology), Mr. Tintor has more than 25 years of experience in the mining industry and has been involved with all aspects of junior mining company management, finance and project acquisition. Mr. Tintor is also a Director of the following TSX-listed companies: Cerro Resources NL, DNI Metals Inc., and of Homeland Uranium Inc., an unlisted reporting issuer. Mr. Tintor is also the Managing Director of RG Mining Investments Inc., a private mineral project generation and services company.

Stephen M. Gledhill, Chief Financial Officer – Mr. Gledhill is a Certified Management Accountant (CMA) and is the President of Keshill Consulting Associates Inc., a boutique management consulting practice specializing in the areas of financial management and control, information systems implementation and strategic management. A graduate of Waterloo University (B.Math), Mr. Gledhill has over 25 years of financial-control experience and acts as CFO for several publically-traded mining and exploration and health-services companies. Prior to the inception of Keshill Consulting Associates Inc., Mr. Gledhill served as the Senior Vice President and CFO of Borealis Capital Corporation, a Toronto-based merchant bank.

Leslie Haddow, Corporate Secretary – Mrs. Haddow has acted as Corporate Secretary of Southern Andes Energy Inc. (TSXV: Sur) since May 2010, and Corporate Secretary of Firebird Resources Inc. (TSXV:FIX) since May 2011. From September 2008 to March 2011, Leslie Haddow acted as Corporate Secretary of Homeland Uranium Inc. From 2005 to 2007 she acted as Corporate Secretary of Cornerstone Capital Partners LLP. From 2002 to 2005 Leslie Haddow acted as Corporate Secretary of Avotus Corporation (TSXV: AVS). From 1996 to 2002 she acted as Assistant Corporate Secretary of Canadian Real Estate Investment Trust (CREIT) (TSX: REF.UN).

Leslie Haddow brings more than 15 years of experience in the corporate secretarial role and has been involved in many industries, including mining/mineral exploration, real estate, and corporate finance.

Robert Boaz, Director - Mr. Boaz is the President and CEO of Aura Silver Resources. He was previously a director of Dundee Securities Inc. from August 2000 to November 2004 and a Managing Director of Raymond James Inc. from November 2004 to March 2006. Mr. Boaz is currently a director of Ur-Energy Inc., AuEx Ventures and Southern Andes Energy Inc.

Stephen Coates, Director - Mr. Coates is a Principal of Grove Capital Group since October 2009. He was President and Chief Executive Officer of Homeland Energy Group Ltd (“HEG”) a position he held from December 2004 to October 2009. Mr. Coates is the Chairman of Homeland Uranium Inc., an unlisted reporting issuer and also served in Communications with the Government of Ontario, including as Special Assistant to Premier Mike Harris from June 1999 to May 2001. Mr. Coates graduated with a Bachelor of Arts degree in Political Science from the University of Western Ontario.

John Cook, Director - John Cook has more than 45 years of professional experience in all facets of mining development, operations and management. He was most recently President and CEO of San Anton Resource Corp. and the Chairman of Premier Gold Inc. until 2010. He is a director of Strategic Resources Inc., Cerro Resources NL, MBMI Resources Inc., and Southern Andes Energy Inc., all TSXV listed companies. He is also a director of Homeland Uranium Inc., an unlisted reporting issuer. He has

been the President of Tormin Resources Limited, a private mining company since May 1995 and is a graduate of Sheffield University in mining engineering.

Anne B. Chopra, Director – Ms. Chopra was engaged as VP, Corporate and Legal Affairs with Potash One Inc., a TSX-listed resource issuer, since November 2007. For the past 16 years, Ms. Chopra has practiced Corporate, Commercial and Securities Law with regional law firms. Since August 2008, Ms. Chopra is the President, Director, CEO, CFO and Secretary to Harvest One Capital Inc., a TSXV Capital Pool Company. Further, she has been the director and Corporate Secretary to various companies, listed on the TSXV.

In addition to the above professional experience, Ms. Chopra has acted as the Equity Ombudsperson for the Law Society of British Columbia since May 1999 and has been a Lecturer in business at the University of Alberta, the British Columbia Institute of Technology and at Ryerson Polytechnic Institute.

Ms. Chopra obtained her Bachelor of Commerce and Bachelor of Laws degrees from the University of Alberta and a Masters of Industrial Relations from Queen's University in 1984.

For more information regarding the business of Caracara, see "*Part 6 – Information Concerning Caracara – Caracara's Business*".

Ansue Shareholder Meeting

The Ansue Shareholder Meeting will be held on July 15, 2011, to approve, among other things, Ansue's financial statements as at and for the year ended January 31, 2011, the Consolidation, the Name Change and the Stock Option Plan.

The Offering

Ansue and the Agents entered into the Agency Agreement on May 31, 2011 and 14,242,501 Ansue Subscription Receipts were issued to subscribers pursuant to the Offering for aggregate gross proceeds of \$6,409,125.45.

The Acquisition

Southern Andes and Ansue have entered into the Qualifying Transaction Agreement in connection with the Qualifying Transaction.

Pursuant to the Qualifying Transaction Agreement:

- (a) Ansue will acquire from Southern Andes all of the issued and outstanding shares in the capital of Caracara, Alpaca, Solex and the Southern Andes silver assets;
- (b) Ansue will undertake the settlement of the Interco Debt and the acceptance of the Issuance Obligation on behalf of Southern Andes and Caracara, respectively; and
- (c) Ansue will issue the Consideration Shares to Southern Andes.

After completion of the Offering and assuming completion of the Acquisition and the Consolidation, it is anticipated that the Resulting Issuer's share capital will be as follows:

Resulting Issuer Pro-Forma Shareholdings:	Resulting Issuer Shares Outstanding Following Completion of the Qualifying Transaction and the Offering⁽¹⁾
Resulting Issuer Shares to be held by existing Ansue Shareholders:	1,353,333 (2.66%)
Resulting Issuer Shares to be held by Southern Andes:	33,333,334 (65.46%)
Resulting Issuer Shares to be issued upon conversion of Ansue Subscription Receipts:	14,242,501 (27.97%)
Resulting Issuer Shares to be held by Cybersonic	1,892,000 (3.72%)
Resulting Issuer Shares to be issued for finder's fees pursuant to the Qualifying Transaction Agreement	100,000 (0.20%)
TOTAL:	50,921,168 (100%)

Notes:

(1) The total number of convertible securities of the Resulting Issuer expected to be outstanding following the Acquisition is comprised of (i) 46,666 Ansue Agents Warrants issued pursuant to IPO of Ansue; (ii) 7,121,250 Resulting Issuer share purchase warrants; (iii) 854,550 Resulting Issuer Agent's Warrants; and (iv) 133,332 Ansue Options.

Resulting Issuer Board of Directors

Upon completion of the Qualifying Transaction:

- (a) all existing directors of Ansue will resign, except Anne B. Chopra, and all existing officers of Ansue will resign;
- (b) Nick Tintor, Robert Boaz, Stephen Coates, John Cook and Anne B. Chopra will be appointed directors of the Resulting Issuer;
- (c) the following persons will be appointed officers of the Resulting Issuer:
 - (i) Nick Tintor: President and Chief Executive Officer;
 - (ii) Stephen Gledhill: Chief Financial Officer; and
 - (iii) Leslie Haddow: Corporate Secretary.

Name Change

Ansue will change its name to Caracara Silver Inc. or such other name as may be approved by Caracara, the Exchange and any Government Authority.

Conditions to Closing

Completion of the Qualifying Transaction is subject to compliance with the terms and conditions set out in the Qualifying Transaction Agreement and is subject to receipt of requisite regulatory approval by each of Southern Andes and Ansue, including the approval of the Exchange.

The Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction

The Qualifying Transaction was negotiated by Ansue and Southern Andes, which are dealing at arm's length with each other and therefore, in accordance with the policies of the Exchange, **the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.**

Interests of Insiders, Promoters and Control Persons

As at the Filing Statement Date, Ansue is not aware of any existing or potential material conflicts of interest between Ansue or Southern Andes and any Insider, Promoter or Control Person of Ansue or Southern Andes (see "*Part 2 – Summary – The Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction*").

For a table setting out (i) the name and position of each Insider, Promoter or Control Person of Ansue and Southern Andes (or their respective Associate or Affiliate) who owns, directly or indirectly, shares in Ansue or Southern Andes, (ii) the number of shares so owned or controlled, and (iii) the number of Resulting Issuer Shares to be so owned or controlled upon completion of the Qualifying Transaction see "*Part 3 – Description of the Transactions – Aggregate Ownership of Securities by Insiders*".

Resulting Issuer Available Funds and Principal Purposes

The following table sets out information respecting the Resulting Issuer's sources of cash and intended uses of cash upon completion of the Qualifying Transaction. The amounts presented are estimates only and based on information as at the date hereof. See "*Part 7 - Information Concerning the Resulting Issuer – Resulting Issuer Available Funds and Principal Purposes*".

Source of Funds	Following Completion of the Qualifying Transaction and the Offering
Ansue working capital as at January 31, 2011:	\$197,749 ⁽¹⁾
Caracara, carve-out Solex and carve-out Southern Andes working capital deficiency as at March 31, 2011:	\$(412,986)
Proceeds of the Offering net of Agents' commissions:	\$6,024,578
Total available funds:	\$5,809,341
Principal Uses of Available Funds	Following Completion of the Qualifying Transaction and the Offering
Princesa Field programs	\$1,890,000
Reconnaissance program	\$500,000
Vendor payments	\$250,000
General and administrative	\$700,000
Working capital and unallocated funds	\$2,469,341
Total uses of funds:	\$5,809,341

Notes:

(1) Per pro forma balance sheet dated as at January 31, 2011.

Selected Pro Forma Consolidated Financial Information

The following table sets out certain pro forma consolidated financial information for the Resulting Issuer after completing the Acquisition, Consolidation and the Offering. The following should be read in

conjunction with the Pro Forma Consolidated Balance Sheet of the Resulting Issuer set out in Schedule "C" to this Filing Statement.

Balance Sheet (Including the Offering):	Pro Forma Financial Information as at January 31, 2011
Current Assets	\$5,555,252
Total Assets	\$12,623,086
Current Liabilities	\$145,911
Total Liabilities	\$145,911
Shareholders Equity	\$12,477,175
Outstanding Securities:	
Issued and outstanding	50,921,168 ⁽¹⁾
Convertible securities	8,155,799 ⁽²⁾

Notes:

(1) On a post-consolidation basis.

(2) Outstanding Ansue Options – 133,332, exercisable at \$0.30 each with expiry on June 2, 2015; outstanding Ansue Agent's Warrants – 46,667, exercisable at \$0.30 each with expiry on May 21, 2012, Resulting Issuer's Agent's Warrants – 854,550, Resulting Issuer Warrants – 7,121,250.

Details Respecting Ansue's Listing

On May 19, 2010, Ansue completed an initial public offering of 2,000,000 Ansue Shares at a price of \$0.10 per share, for gross proceeds of \$200,000. On May 21, 2010 the Ansue Shares were listed on the Exchange under the symbol "ASU.P". There were 2,000,000 pre-Consolidation Ansue Shares outstanding prior to Ansue's initial public offering. Ansue currently has 4,060,000 pre-Consolidation Ansue Shares issued and outstanding and Ansue Options to purchase 540,000 pre-Consolidation Ansue Shares at a price of \$0.10 per share. Following completion of the Consolidation and giving effect to the Offering, Ansue will have 50,921,168 Ansue Shares outstanding and Ansue Options to purchase 133,332 Ansue Shares at a price of \$0.30 per share outstanding.

Market, Trading Price

The Ansue Shares have been listed on the Exchange since May 21, 2010. On March 1, 2011 (the last day a trade of the Ansue Shares was executed prior to the announcement of the Acquisition), the market price of the Ansue Shares was \$0.20.

There is no public market for the Caracara Shares.

Conflicts Of Interest

Certain directors and officers of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer.

Risk Factors

The Qualifying Transaction must be considered highly speculative due to the nature of Caracara's business, Caracara's formative stage of development and its financial position. The risk factors that should be considered include: (i) risks related to the political and economic risks that exist in Peru; (ii) the risk associated with exploration, development and operations of mineral deposits; (iii) fluctuations in commodity prices; (iv) the risks associated with uninsurable risks arising during the course of exploration, development and production; (v) the risks associated with changes in the mining regulatory regime governing the Resulting Issuer; (vi) the risks associated with the various environmental regulations the Resulting Issuer is subject to; (vii) the possibility that the Acquisition would not be completed; (viii) volatile stock price; (ix) the general global markets and economic conditions; (x) the possibility of write-downs and impairments; (xi) the risk associated with establishing title to mineral properties and assets; (xii) the risks associated with entering into joint ventures; (xiii) competition faced by the Resulting Issuer in securing experienced personnel and financing; (xiv) access to adequate infrastructure to support mining, processing, development and exploration activities; (xv) risks related to regulatory and permitting delays; (xvi) risks related to potential conflicts of interest; (xvii) the reliance on key personnel; (xviii) liquidity risks; (xix) the risk of potential dilution through the issue of Resulting Issuer Shares; (xx) the Resulting Issuer does not anticipate declaring dividends in the near term; (xxi) the risk of litigation; and (xxii) risk management. For a complete listing and description of the risk factors, see "*Part 4 – Risk Factors*".

The TSX Venture Exchange

The Exchange has conditionally accepted the listing of the Ansue Shares in connection with the Acquisition subject, to Ansue fulfilling all of the requirements of the Exchange.

**PART 3
DESCRIPTION OF THE TRANSACTIONS**

Introduction

The principal business of Ansue has been to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction.

The Acquisition is not a Non-Arm's Length Qualifying Transaction. See "*Part 3 – Description of the Transactions – Approvals Required – Regulatory Requirements Concerning a Qualifying Transaction*".

The Acquisition

On April 13, 2011, Southern Andes and Ansue entered into the Qualifying Transaction Agreement, pursuant to which Ansue agreed to acquire from Southern Andes all of the issued and outstanding shares in the capital of Caracara, Alpaca, Solex and the Southern Andes silver assets. In exchange, Ansue agreed to undertake the settlement of the Interco Debt and the acceptance of the Issuance Obligation on behalf of Southern Andes and Caracara respectively. In addition, Ansue will issue the Consideration Shares to Southern Andes on a pre-Consolidation basis, as more particularly described in the Qualifying Transaction Agreement.

Assuming completion of the Offering, the Consolidation and the Acquisition, it is anticipated that the Resulting Issuer's share capital will be as follows:

Resulting Issuer Pro-Forma Shareholdings:	Resulting Issuer Shares Outstanding Following Completion of the Qualifying Transaction and the Offering⁽¹⁾
Resulting Issuer Shares to be held by existing Ansue Shareholders:	1,353,333 (2.66%)
Resulting Issuer Shares to be held by Southern Andes:	33,333,334 (65.46%)
Resulting Issuer Shares to be issued upon conversion of the Ansue Subscription Receipts:	14,242,501 (27.97%)
Resulting Issuer Shares to be issued to Cybersonic ⁽²⁾	1,892,000 (3.72%)
Resulting Issuer Shares to be issued for finder's fees pursuant to the Qualifying Transaction Agreement	100,000 (0.20%)
TOTAL:	50,921,168 (100%)

Notes:

- (1) Non-diluted. The fully-diluted number of securities of the Resulting Issuer expected to be outstanding following the Acquisition is 59,076,968 and is comprised of the total issued of 50,921,168 plus (i) 133,332 Ansue Options; (ii) 46,667 Ansue Agent's Warrants; (iii) 7,121,250 Resulting Issuer's Agent's Warrants; and (iv) 854,550 Resulting Issuer's Agent's Warrants pursuant to the Offering.
- (2) Reference is also made to these shares in "*Part 6 – Informing Concerning Caracara – Proposed transaction (the "Acquisition")*".

The above calculations are estimates only. The actual number of Resulting Issuer Securities received by security holders of Ansue may differ. For a more complete table of the Resulting Issuer's fully diluted share capital, see "*Part 7 – Information Concerning the Resulting Issuer – Resulting Issuer Pro Forma Consolidated Capitalization*".

Detailed information concerning Caracara and its business is contained in "*Part 6 – Information Concerning Caracara*". The information contained in this Filing Statement with respect to Caracara has been provided by Southern Andes and Ansue has relied upon the representations of Southern Andes.

There are risks associated with the business of Caracara and the Acquisition and reference is made to the information under “*Part 4 – Risk Factors*”.

Detailed information concerning Ansue and its business is contained in “*Part 5 – Information Concerning Ansue*”. The information contained in this Filing Statement with respect to Ansue has been provided by Ansue and Southern Andes has relied upon the representations of Ansue.

Audited financial statements for Ansue as at and for the financial years ended January 31, 2011 and 2010 are attached as Schedule “A”. Carve-out combined financial statements of Southern Andes – Silver Operations, combining Alpaca, Solex and Southern Andes as at and for the years ended June 30, 2010, 2009 and 2008 are attached as Schedule “B”. A pro forma balance sheet for the Resulting Issuer as at January 31, 2011 is attached as Schedule “C”.

The Offering

On May 31, 2011, 14,242,501 Ansue Subscription Receipts were issued to subscribers pursuant to the Offering for aggregate gross proceeds of \$6,409,125.45. Each Ansue Subscription Receipt sold at the Offering Price will be automatically converted for no further consideration into one Ansue Unit on a post-Consolidation basis immediately upon completion of the Qualifying Transaction. Gross proceeds of the Offering are placed in escrow and will be released immediately upon completion of the Escrow Release Conditions.

In connection with the Ansue Subscription Receipts that were distributed on May 31, 2011, the Agents and selling group members appointed by the Agents will receive a cash commission of \$384,547.53 in the aggregate. The Agents and selling group members appointed by the Agents also received 854,550 Ansue Agent’s Warrants in the aggregate. Each Ansue Agent’s Warrant will be exercisable until May 31, 2013, for one Ansue Unit on a post-Consolidation basis at the Offering Price, pursuant to the terms of the Agency Agreement.

Events Related to the Acquisition

The events leading up to, and subsequent to, the Acquisition are as follows:

The Offering: Ansue has sold 14,242,501 Ansue Subscription Receipts for gross proceeds of \$6,409,125.45.

Ansue Meeting: The Ansue Shareholder Meeting will be held prior to the closing of the Acquisition for the purpose of approving, among other things, the Consolidation and the Name Change.

Consolidation: The Ansue Shares will be consolidated on a three to one basis prior to the completion of the Qualifying Transaction.

Name Change: Ansue will change its name to “Caracara Silver Inc.” or such other name as may be approved by Southern Andes and the Exchange and any other governmental authority having jurisdiction.

Satisfaction of Conditions: Southern Andes and Ansue will seek to satisfy all of the conditions set out in the Qualifying Transaction Agreement, each of which must be satisfied prior to completion of the Qualifying Transaction. Once all conditions have been satisfied or waived, the parties will proceed with the Acquisition.

Regulatory Approval: Once all of the conditions set out in the Qualifying Transaction Agreement have been satisfied, Southern Andes and Ansue will proceed with the Acquisition.

Conditions of the Acquisition

The Qualifying Transaction Agreement provides that the closing of the Acquisition may not occur unless certain conditions in favour of Ansue and certain conditions in favour of Southern Andes, have been satisfied or waived. Among other things, the closing of the Acquisition is subject to the following conditions:

- (a) Conditions Precedent for the Benefit of Ansue:
- (i) no Material Adverse Change with respect to Caracas, Solex and Alpaca shall have occurred between the date hereof and the Closing Date;
 - (ii) Ansue shall have received a title opinion, satisfactory to Ansue in its sole discretion, acting reasonably, in respect of the Silver Projects;
 - (iii) Southern Andes shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under the Qualifying Transaction Agreement, and all representations and warranties of Southern Andes contained in the Qualifying Transaction Agreement shall have been true and correct in all material respects as of the date of the Qualifying Transaction Agreement and shall not have ceased to be true and correct in any material respect thereafter;
 - (iv) all representations and warranties made in the Qualifying Transaction 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;
 - (v) 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
 - (vi) 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:
 - (A) a certified copy of the resolutions of the Southern Andes Board and the shareholders of Southern Andes approving the execution, delivery and performance of the Qualifying Transaction Agreement and the Acquisition;
 - (B) 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 therein 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 thereunder on or prior to the Closing Date;
 - (C) 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;

- (D) 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 the Qualifying Transaction Agreement; and
- (E) 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 the Qualifying Transaction Agreement or as are, in the opinion of counsel for Ansue, reasonably necessary or desirable to consummate the Acquisition.

(b) Conditions Precedent for the Benefit of Southern Andes:

- (i) no Material Adverse Change with respect to Ansue shall have occurred between the date hereof and the Closing Date;
- (ii) Ansue shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under the Qualifying Transaction Agreement, and all representations and warranties of Ansue contained in the Qualifying Transaction Agreement shall have been true and correct in all material respects as of the date of the Qualifying Transaction Agreement and shall not have ceased to be true and correct in any material respect until completion of the Acquisition;
- (iii) 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;
- (iv) 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:
 - (A) a certified copy of the resolutions of the Ansue Board approving the execution, delivery and performance of the Agreement and the Acquisition;
 - (B) 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 therein 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 thereunder on or prior to the Closing Date;
 - (C) 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;

- (D) 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 the Qualifying Transaction Agreement;
- (E) 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;
- (F) 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

- (G) 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:

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

- (H) Southern Andes shall have received proof to its reasonable satisfaction that in addition to funds raised pursuant to the Offering, 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
- (I) 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 the Qualifying Transaction 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.

- (v) Ansue shall have completed the Offering on or before May 31, 2011, with such Offering having closed on May 31, 2011.

(c) Mutual Conditions Precedent:

- (i) there shall not be in force any order or decree restraining or enjoining the consummation of the Acquisition;

- (ii) the Qualifying Transaction Agreement shall not have been terminated pursuant to the terms contained therein;
- (iii) the issuance of the Consideration Shares shall have been accepted by the TSXV;
- (iv) all Regulatory Approvals shall have been obtained; and
- (v) Southern Andes shall have received requisite shareholder approval in respect of the Southern Andes Special Business.

Approvals Required

Regulatory Requirements Concerning a Qualifying Transaction

The Qualifying Transaction is subject to the approval of the Exchange (which must also approve the Name Change). Listing of the Resulting Issuer Shares to be issued in connection with the Qualifying Transaction is subject to the Resulting Issuer fulfilling all requirements of the Exchange on completion of the Qualifying Transaction. In accordance with the policies of the Exchange, Ansue's deadline to complete an Exchange Qualifying Transaction is May 21, 2012.

Corporate Law Shareholder Approval

No approval of the Acquisition by the shareholders of Ansue is required. Pursuant to the provisions of the BCBCA and the policies of the Exchange, as the case may be, the approval of Ansue Shareholders is required in respect of the Consolidation, the Name Change, a change of its number of directors and the Stock Option Plan. The shareholders meeting will be held on July 15, 2011 for these purposes.

Aggregate Ownership of Securities by Insiders

The following table sets out the number of Ansue Shares and Caracara Shares owned beneficially, directly or indirectly, or over which control or direction is exercised, by each of the Insiders of Ansue and Insiders of Caracara as of the Filing Statement Date. The following table also shows the number of Resulting Issuer Shares which each of the Insiders of Ansue and Caracara are expected to own beneficially, directly or indirectly, or control or direct after the Acquisition and after taking into account the Offering.

Insiders, Promoters or Control Person (or their Associates or Affiliates)	Number of Shares Owned, Directly or Indirectly, or Controlled or Directed		
	Caracara	Ansue⁽¹⁾	Resulting Issuer⁽²⁾
Southern Andes Energy Inc.	100	Nil	33,333,333
Anne B. Chopra	Nil	800,000	266,666
Suzanne Wood	Nil	800,000	266,666
Dale Peterson	Nil	400,000	133,332

Notes:

(1) Pre-Consolidation

(2) Post-Consolidation.

The following table sets out the aggregate number of Ansue Shares and Caracara Shares owned beneficially, directly or indirectly, or over which control or direction is exercised, by Insiders of Ansue and Insiders of Caracara as of the Filing Statement Date. The following table also shows the aggregate number of Resulting Issuer Shares which Insiders of Ansue and Caracara are expected to own

beneficially, directly or indirectly, or control or direct after the Acquisition and before taking into account the Offering.

	Ansue ⁽¹⁾		Caracara		Resulting Issuer ⁽²⁾	
	#	%	#	%	#	%
Insiders of Ansue	2,000,000 ⁽¹⁾	49%	Nil	Nil%	666,667	1.31%
Insiders of Caracara	Nil	Nil%	100	100%	33,333,333	65.59%

Notes:

(1) Pre-Consolidation.

(2) Following completion of the Qualifying Transaction, the Consolidation and the Offering.

PART 4 RISK FACTORS

The following, although not exhaustive, are certain factors that should be considered by a holder of Ansue Shares or a holder of Resulting Issuer Shares after giving effect to the Acquisition. All of these risk factors could impact the Resulting Issuer's consolidated revenue, margins and cash flow. The following information is a summary of certain risk factors and is qualified by the detailed information appearing elsewhere in this Filing Statement.

The Acquisition May Not Be Completed

The Acquisition is subject to final acceptance by the Exchange as evidenced by the Final Exchange Bulletin. There can be no assurance that all of the necessary approvals will be obtained. If the Acquisition is not completed for these reasons, or for any other reason, Ansue will continue to search for and evaluate other investment opportunities; however, it will have incurred significant costs associated with the failed implementation of the Acquisition.

Volatile Stock Price

The stock price of the Resulting Issuer is expected to be highly volatile and will be drastically affected by exploration and test results. The Resulting Issuer cannot predict the results of its exploration activities expected to take place in the future. The results of these tests will inevitably affect the Resulting Issuer's decisions related to further exploration and/or production at any of the properties that the Resulting Issuer may explore in the future and will likely trigger major changes in the trading price of the Resulting Issuer Shares.

Global Markets and Economic Conditions

Recent global financial conditions have been characterized by increased volatility and many financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. The fallout from the current global financial crisis has resulted in the following conditions, which may have an impact on the operations and cash flows of the Resulting Issuer: (i) volatility in commodity prices and foreign exchange rates; (ii) tightening of credit markets characterized by stricter covenant requirements for borrowers and higher interest rate fluctuations; (iii) increased counterparty risk; and (iv) volatility in the prices of publicly traded entities. Although capital markets appear to be stabilizing, a climate of volatility, illiquidity, wide credit spreads, a lack of price transparency, credit losses and tight credit conditions persists. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer. Additionally, these factors, as well as other related factors, may cause decreases in asset values, which may result in impairment losses. If these increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of its securities may be adversely affected.

Uranium Assets

As set out in the Qualifying Transaction Agreement, on July 25, 2011 Solex completed the transfer of its previously held uranium assets into a new subsidiary of Southern Andes. Subsequent to the spin-out of the uranium assets, Solex only held silver assets, which will be transferred to Southern Andes as set out in the Qualifying Transaction Agreement. All costs and expenses associated with this transfer of uranium assets 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. In addition, Southern Andes has accepted responsibility for any liabilities of Solex related to the uranium assets from and after the Closing.

Write-downs and Impairments

Mining interests are the most significant assets of the Resulting Issuer and represent capitalized expenditures related to the development of mining properties and related plant and equipment and the value assigned to exploration potential on acquisition. The costs associated with mining properties are separately allocated to exploration potential, reserves and resources and include acquired interests in production, development and exploration-stage properties representing the fair value at the time they were acquired. The values of such mineral properties are primarily driven by the nature and amount of material interests believed to be contained or potentially contained, in properties to which they relate.

The Resulting Issuer will review and evaluate its mining interests for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable, which becomes more of a risk in the global economic conditions than exist currently. An impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources. Differences between management's assumptions and market conditions could have a material effect in the future on the Resulting Issuer's financial position and results of operations.

Exploration, Development and Operations

Exploration and development of mineral deposits involves a high degree of risk which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing properties. Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: deposit size, grade, unusual or unexpected geological formations and metallurgy; proximity to infrastructure; metal prices which are highly cyclical; environmental factors; unforeseen technical difficulties; work interruptions; and government regulations, including regulations relating to permitting, prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long term profitability of the Resulting Issuer's operations will be in part directly related to the cost and success of its exploration and mine development programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis. Mineral exploration and mining involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour.

Operations in which the Resulting Issuer will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of

which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

No Assurance of Title to Assets

Establishing title to mineral properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. There is no guarantee of title to the property. The property may be subject to First Nations land claims, prior unregistered agreements or transfers and title may be affected by undetected defects.

Joint Ventures

The Resulting Issuer may enter into joint ventures in the future. Any failure of a joint venture partner to meet its obligations to the Resulting Issuer or third parties, or any disputes with respect to the parties' respective rights and obligations could have a material adverse affect on such joint ventures. In addition the Resulting Issuer may be unable to exert influence over strategic decisions made in respect of properties that are the subject of such joint ventures.

Commodity Prices

Factors beyond the control of the Resulting Issuer may affect the marketability and price of any minerals discovered, if any. Resource prices have fluctuated widely in recent years and are affected by numerous factors beyond the control of the Resulting Issuer, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Resulting Issuer may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Resulting Issuer. The Resulting Issuer will not be insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Resulting Issuer will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Resulting Issuer becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Resulting Issuer has to pay such liabilities and result in bankruptcy. Should the Resulting Issuer be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Resulting Issuer to suitably develop its properties. The Resulting Issuer will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral claims and leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect future operations of the Resulting Issuer.

Regulatory Matters

The mining industry operates under legislation and regulation governing such matters as land tenure, prices, royalties, environmental protection controls, income, the exportation of silver-lead-zinc and other metals, as well as other matters. The industry is also subject to regulation by governments in such matters as the awarding or acquisition of exploration and production rights or other interests, the imposition of specific exploration obligations, environmental protection controls, control over the development and abandonment of properties (including restrictions on production) and possibly expropriation or cancellation of contract rights. Government regulations may be changed from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the mining industry could increase the Resulting Issuer's costs and have a material adverse impact on the Resulting Issuer. Before proceeding with a project, the participants in the project must obtain all required regulatory approvals. The regulatory approval process can involve stakeholder consultation, environmental impact assessments and public hearings, among other things. In addition, regulatory approvals may be subject to conditions including security deposit obligations and other commitments. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays and abandonment or restructuring of the projects undertaken by the Resulting Issuer and increased costs, all of which could have a material adverse affect on the Resulting Issuer.

Environmental Regulations

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

Regulatory and Permitting Delays

The Resulting Issuer could encounter regulatory and/or permitting delays in the future. The Resulting Issuer will endeavour to ensure timely application for any government permits necessary for carrying out its business. However, there is no guarantee that the Resulting Issuer will be able to obtain all necessary permits in a timely fashion. Factors that are beyond the Resulting Issuer's control such as bureaucratic impediments, minor changes in legislation and even government holidays could substantially impede the timing of receiving essential permits and delay or stall the Resulting Issuer's exploration efforts.

Potential Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the completion of the Acquisition are also directors, officers and/or Promoters of other reporting and nonreporting issuers, including those engaged in mineral exploration and development. As of the date of this Filing Statement and to the knowledge of the directors and officers of Ansue, there are no existing conflicts of interest between Ansue and any of the individuals proposed for appointment as directors or officers following the completion of the Acquisition. Situations may arise where the directors and/or officers of Southern Andes may be in competition with the Resulting Issuer. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Reliance on Key Personnel

The Resulting Issuer will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on the Resulting Issuer. The Resulting Issuer's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. The Resulting Issuer faces intense competition for qualified personnel and there can be no assurance that the Resulting Issuer will be able to attract and retain such personnel.

Liquidity Risk

The Resulting Issuer might incur additional debt in order to fund its exploration and development activities, which would continue to reduce its financial flexibility and could have a Material Adverse Effect on the Resulting Issuer's business, financial condition or results of operation. The Resulting Issuer's ability to meet any debt obligations and reduce its level of indebtedness depends on future performance. General economic conditions, silver-zinc-lead and other metal prices and financial, business and other factors affect the Resulting Issuer's operations and future performance. Many of these factors are beyond the Resulting Issuer's control. The Resulting Issuer has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable quantities of precious metals. The exploration process can take many years and is subject to factors that are beyond the Resulting Issuer's control. Many factors influence the Resulting Issuer's ability to raise funds, including the health of the resource market, the climate for exploration investment, the Resulting Issuer's track record and the experience and calibre of its management. The Resulting Issuer cannot assure investors that it will be able to generate sufficient cash flow to pay the interest on any debt or that future working capital, borrowings or equity financing will be available to pay or refinance such debt. Factors that will affect its ability to raise cash through an offering of securities or a refinancing of its debt include financial market conditions, the value of its assets and performance at the time the Resulting Issuer needs capital. The Resulting Issuer cannot assure investors that it will have sufficient funds to make such payments. If the Resulting Issuer does not have sufficient funds and is otherwise unable to negotiate renewals of its borrowings or arrange new financing, it might have to sell significant assets. Any such sale could have a Material Adverse Effect on the Resulting Issuer's business, operations and financial results.

Dilution Risk

In order to finance future operations and development efforts, the Resulting Issuer may raise funds through the issue of Resulting Issuer Shares or securities convertible into Resulting Issuer Shares. The constating documents of the Resulting Issuer will allow it to issue, among other things, an unlimited number of Resulting Issuer Shares for such consideration and on such terms and conditions as may be established by the directors of the Resulting Issuer, in many cases, without the approval of shareholders. The size of future issues of Resulting Issuer Shares or securities convertible into Resulting Issuer Shares or the effect, if any, that future issues and sales of the Resulting Issuer Shares will have on the price of the Resulting Issuer Shares cannot be predicted at this time. Any transaction involving the issue of

previously authorized but unissued Resulting Issuer Shares or securities convertible into Resulting Issuer Shares would result in dilution, possibly substantial, to present and prospective shareholders of the Resulting Issuer.

Political and Economic Risk in Peru

Caracara's primary silver properties are located in Peru. Regardless of recent progress in restructuring its political institutions and revitalizing its economy, Peru's history since the mid-1980s has been one of political and economic instability under both democratically elected and dictatorial governments. These governments frequently have intervened in the national economy and social structure, including periodically imposing various controls, the effects of which have been to restrict the ability of both domestic and foreign companies to freely operate. Although the Resulting Issuer believes that the current conditions in Peru are relatively stable and conducive to conducting business, the Resulting Issuer's current and future mineral exploration and mining activities in Peru are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, political and labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, fluctuations in currency exchange rates, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

There has been a significant level of social unrest in Peru in recent years resulting from a number of factors, including a high rate of unemployment. Protestors have targeted foreign firms in the mining sector in recent months and as a result, there is no assurance that future social unrest will not have an adverse impact on the Resulting Issuer's operations.

The Resulting Issuer's exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. Peru's fiscal regime has historically been favourable to the mining industry and has been relatively stable over the past 10 years or so, but there is a risk that this could change. In addition, labour in Peru is customarily unionized and there are risks that labour unrest or wage agreements may impact operations. The Resulting Issuer cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Resulting Issuer's business and/or its holdings, assets and operations in Peru. Any changes in regulations or shifts in political conditions are beyond the control of the Resulting Issuer. The Resulting Issuer's operations in Peru will entail significant governmental, economic, social, medical and other risk factors common to all developing countries. The status of Peru as a developing country may also make it more difficult for the Resulting Issuer to obtain any required financing because of the investment risks associated with it.

The Resulting Issuer's operations in Peru may be adversely affected by economic uncertainty characteristic of developing countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety factors. Any such changes could have a material adverse effect on the Resulting Issuer's results of operations and financial condition. Peru has no limitation on profit or capital remittances to foreign shareholders provided that all applicable Peruvian taxes have been paid. However, there can be no assurance that additional restrictions on the repatriation of earnings in Peru will not be imposed in the future.

Dividends

To date, neither Ansue nor Caracara has paid any dividends on its outstanding securities and the Resulting Issuer does not expect to do so in the foreseeable future. Any decision to pay dividends on the Common Shares will be made by the board of directors of the Resulting Issuer on the basis of the Resulting Issuer's earnings, financial requirements and other conditions.

Litigation

The Resulting Issuer and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. Presently the Resulting Issuer and/or its directors and officers are not aware of or are subject to any legal proceedings.

Risk Management

Mineral exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Resulting Issuer will strive to manage such risks to the extent possible and practical.

PART 5 INFORMATION CONCERNING ANSUE

Corporate Structure

Name and Incorporation

Ansue was incorporated by Certificate of Incorporation issued pursuant to the provisions of the BCBCA on December 3, 2009 under the name "Ansue Capital Corp."

The head office and the registered office of Ansue is located at #490-580 Hornby Street, Vancouver, British Columbia V6C 3B6.

General Development of the Business

Ansue is a CPC, and to date, has not carried on any operations. The principal business of Ansue has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to acceptance by the Exchange.

On May 19, 2010, Ansue completed an initial public offering of 2,000,000 Ansue Shares at a price of \$0.10 per share, for gross proceeds of \$200,000. On May 21, 2010 the Ansue Shares were listed on the Exchange under the symbol "ASU.P".

On March 1, 2011, Ansue entered into the Letter Agreement with Southern Andes and on April 13, 2011 Ansue entered into the Qualifying Transaction Agreement with Southern Andes. The Acquisition will constitute Ansue's Qualifying Transaction, as defined in the CPC Policy. On March 1, 2011, the common shares of Ansue were halted pending completion of the Qualifying Transaction.

Selected Financial Information and Management's Discussion and Analysis

Ansue has incurred costs in carrying out its initial public offering, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer. The following table sets out selected historical financial information for Ansue as at and for the financial year ended January 31, 2011 and for the period from December 3, 2009 (inception) to January 31, 2010.

	As at and Year Ended January 31, 2011 (Audited)	As at and for the period from December 3, 2009 (inception) to January 31, 2010 (Audited)
Net Income (Loss)	\$(58,024)	\$(1,988)
Total Expenses	\$59,458	\$1,988
Cash ⁽¹⁾	\$21,780	\$2,312
Assets	\$198,220	\$98,012
Liabilities	\$471	\$0
Shareholders' Equity	\$197,749	\$98,012

Note:

(1) Cash does not include short term investments totalling \$176,204 (2011) and 70,000 (2010).

Audited financial statements for Ansue as at and for the financial years ended January 31, 2011 and for the period from December 3, 2009 (inception) to January 31, 2010 are attached as Schedule "A".

Management's Discussion and Analysis

The following is taken directly from the management's discussion and analysis of the results of operations and financial condition of Ansue (the "**Ansue MD&A**"), based on and derived from the audited financial statements of Ansue as at and for the year ended January 31, 2011 attached at Schedule "A". The financial statements have been prepared in accordance with GAAP and are reported in Canadian dollars.

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

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

Description of Business

Ansue was incorporated under the BCBCA on December 3, 2009. Ansue is a CPC as defined by Policy 2.4 of the TSX Venture Exchange. Ansue's common shares are listed for trading on the TSXV under the trading symbol ASU.P.

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

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

Performance Summary

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

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

Selected Annual Information

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

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

Summary of Quarterly Results

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

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

Results of Operations

Revenues

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

Operating Expenses

Twelve months ended January 31, 2011

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

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

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

Disclosure for Venture Issuers Without Significant Revenue

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

		Year ended January 31, 2011	Period from December 3, 2009 (inception) to January 31, 2010
Business evaluation costs	\$	15,440	-
General office expenses	\$	1,925	599
Professional fees	\$	4,557	749
Shareholder communication	\$	175	-
Stock-based compensation	\$	29,855	-
Transfer agent and filing fees	\$	7,506	640
	\$	59,458	1,988

At January 31, 2011, share issuance costs totaled \$89,473, comprising of \$18,890 in listing fees, a \$20,000 commission and \$10,000 as a corporate finance fee paid to Ansue's agent in connection with the IPO, \$22,304 in legal fees, \$5,477 in audit fees correlating to the filing of Ansue's prospectus and \$1,423 in disbursements. Additionally, during the year, Ansue recognized \$11,379 of stock-based compensation

calculated on stock options granted to the Agent of its IPO, as share issuance costs. These expenses were incurred in relation to the preparation of Ansue's prospectus for its IPO, listing of Ansue's common shares on the TSXV and in connection with the IPO process.

Financing Activities

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

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

Liquidity and Capital Resources

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

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

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

Fourth Quarter ended January 31, 2011

Cash Flow From Operating Activities

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

Year ended January 31, 2011

Cash Flow From Operating Activities

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

Expenses incurred during the fiscal year 2011 were primarily due to the preparation of Ansue's prospectus for its IPO, fees in connection with the IPO process, the application for approval of listing with the TSXV, SEDAR filing fees, preparation and filing of its interim financial reports and business evaluation costs.

Cash Flow From Financing Activities

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

Capital Stock

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

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

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

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

(a) Escrow Shares

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

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

(b) Stock Options

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

(c) Agent Options:

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

Contributed Surplus

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

Risks Related To Our Business

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

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

- **Dilution:** There are a number of outstanding securities and agreements pursuant to which common shares of Ansue may be issued in the future. This will result in further dilution to Ansue's shareholders.
- **Revenues and Dividends:** Ansue has no meaningful revenues and does not expect to have any meaningful revenues in the foreseeable future. In the event that Ansue generates any meaningful revenues in the future, Ansue intends to retain its earnings in order to finance further growth. Furthermore, Ansue has not paid any dividends in the past and does not expect to pay any dividends in the future.
- **Disruption In Trading:** In the event Ansue makes a public announcement of a proposed Qualifying Transaction, trading in the common shares of Ansue will be halted and will remain for an indefinite period of time. Trading in the common shares of Ansue may be halted at other times for other reasons, including failure by Ansue to submit documents to the TSXV in the time periods required.

Capital Management

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

Ansue is still dependent on external financing to fund its activities with respect to the identification and evaluation of assets or businesses for acquisition, the maintenance of its status as a CPC, and the acquisition, if any, of a qualifying business to complete a transition from being a CPC to being, at a

minimum, a Tier 2 listed company on the Exchange. Ansue will spend its existing working capital and raise additional amounts as needed.

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

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

Transactions With Related Parties

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

Significant Accounting Policies

The financial statements of Ansue are prepared in accordance with Canadian GAAP, consistently applied, which include the significant accounting policies as described in Note 2 of the audited financial statements.

Future Accounting Policies

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

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

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

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

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

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

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements". Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Acquisitions". This new section will only have an impact on Ansue's financial statement for future acquisitions upon completion of its Qualifying Transaction.

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

Financial Instruments and Financial Risk Management

(a) Fair value

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

(b) Liquidity risk

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

(c) Interest rate risk

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

(d) Currency risk

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

(e) Credit risk

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

Evaluation of Disclosure Controls and Policies

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

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

Evaluation of Internal Controls Over Financial Reporting

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

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

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

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

Subsequent Event

On March 2, 2011 Ansue publicly announced that it entered into a letter of intent with respect to a proposed business combination (the "Acquisition") with Southern Andes which, if completed, will be Ansue's qualifying transaction pursuant to the policies of the Exchange. The purpose of the letter of intent

is to outline the principle terms and conditions upon which Ansue will acquire from Southern Andes a 100% interest in the assets of Caracara which comprise interests in silver properties located in Peru.

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

On completion of the Acquisition, the board of directors and management of Ansue will be comprised of nominees of Southern Andes and one nominee of Ansue who is currently anticipated to be Anne B. Chopra. Subsequent to the 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 currently anticipated to be on a three (pre-consolidation shares) for one (post-consolidation share) basis as well as a name change of Ansue 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 the name change.

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

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

Outlook

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

Additional Information

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

Description of Ansue Securities

Existing Securities

The authorized share capital of Ansue consists of an unlimited number of Ansue Shares. As of the date hereof, 4,060,000 pre-Consolidation Ansue Shares are validly issued and outstanding as fully paid and non-assessable shares in the capital of Ansue. There are 140,000 pre-Consolidation Ansue Shares reserved for issuance pursuant to Ansue Agent's Options and 400,000 pre-consolidation Ansue Shares reserved for issuance pursuant to the Ansue Options.

Upon completion of the Offering, there are 14,242,501 post-consolidation Ansue Shares reserved for issuance pursuant to the conversion of the Ansue Unit Shares and 7,121,250 post-consolidation Ansue Shares reserved for issuance pursuant to the exercise of the Resulting Issuer Warrants. There are also 854,550 post-consolidation Ansue Shares reserved for issuance upon exercise of the Ansue Agent's Options.

Ansue Shares

The Ansue Shareholders are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of Ansue and, subject to the rights of the holders of any other class of shares of Ansue, upon liquidation, dissolution or winding up of Ansue, to receive such assets of Ansue as are distributable to the holders of Ansue Shares.

Stock Option Agreements

Pursuant to option agreements, Ansue has issued Ansue Options to acquire 400,000 pre-Consolidation Ansue Shares to directors and officers of Ansue. Each Ansue Option is exercisable into one pre-Consolidation Ansue Share at an exercise price of \$0.10 and has a term of 5 years, expiring on June 25, 2015. No Ansue Options have been exercised as of the Filing Statement Date. Upon completion of the Consolidation, there will be 133,332 Ansue Options to acquire 133,332 post-Consolidation Ansue Shares at an exercise price of \$0.30 per Ansue Option outstanding.

In connection with the Qualifying Transaction, the Resulting Issuer will adopt the Stock Option Plan. See “Part 5 – Information Concerning Ansue – Stock Option Plan” for a description of the plan.

The following table sets out all Ansue Options granted by Ansue pursuant to stock option agreements:

Name and Position of Holder	Number of Ansue Shares Reserved Under Option	Exercise Price	Expiry Date
Suzanne Wood President, CEO and Director	100,000 pre-Consolidation or 33,333 post-Consolidation	\$0.10 pre-Consolidation or \$0.30 post-Consolidation	June 25, 2015
Anne B. Chopra Director	100,000 pre-Consolidation or 33,333 post-Consolidation	\$0.10 pre-Consolidation or \$0.30 post-Consolidation	June 25, 2015
Dale Peterson Director	200,000 pre-Consolidation or 66,666 post-Consolidation	\$0.10 pre-Consolidation or \$0.30 post-Consolidation	June 25, 2015
Total	400,000 pre-Consolidation or 133,332 post-Consolidation		

Prior Sales

Since Ansue's date of incorporation, 4,060,000 Ansue Shares have been issued as follows:

Date	Number of Ansue Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
January 18, 2010 ⁽¹⁾	2,000,000 ⁽⁴⁾	\$0.05	\$100,000	Cash
May 14, 2010 ⁽²⁾	2,000,000 ⁽⁴⁾	\$0.10	\$200,000	Cash
August 25, 2010 ⁽³⁾	60,000 ⁽⁴⁾	\$0.10	\$6,000	Cash
Total	4,060,000⁽⁴⁾			

Notes:

- (1) Ansue Shares subject to escrow. See “Part 7 – Information Concerning the Resulting Issuer - Escrowed Securities”.
- (2) Issued in connection with the IPO of the Ansue Shares.
- (3) Issued upon exercise of Agent’s options.
- (4) Pre-Consolidation. The total number of post-Consolidation Ansue Shares is 1,353,333.

Sales of Ansue Shares to persons connected to Ansue, such as directors, officers and Insiders, were made as follows prior to Ansue's IPO:

Name and Municipality of Residence	Pre-Consolidation Ansue Shares	Post-Consolidation Ansue Shares
Anne B. Chopra Vancouver, BC	800,000	266,666
Suzanne Wood Vancouver, BC	800,000	266,666
Dale Peterson Vancouver, BC	400,000	133,333
Total	2,000,000	666,666

Stock Exchange Price

On March 1, 2011 (the last day a trade of the Ansue Shares was executed prior to the announcement of the Qualifying Transaction), the market price of the Ansue Shares was \$0.20.

The Ansue Shares were listed and posted for trading on the Exchange on May 21, 2010. The following chart shows the Ansue Share price ranges and volume traded on the Exchange for the periods indicated:

Period	Share Price		Volume
	High	Low	
2010			
May 21 – May 30	N/A	N/A	0
June	\$0.205	\$0.205	60,000
July	N/A	N/A	0
August	\$0.350	\$0.300	394,000
September	N/A	N/A	0
October	0.300	0.300	5,000
November	N/A	N/A	0
December	0.300	0.130	67,000
2011			
January	\$0.200	\$0.200	20,000
February	\$0.310	\$0.200	460,000
March ⁽¹⁾	N/A ⁽²⁾	N/A ⁽²⁾	0
April	N/A ⁽²⁾	N/A ⁽²⁾	0
May	N/A ⁽²⁾	N/A ⁽²⁾	0
June 1 – 15	N/A ⁽²⁾	N/A ⁽²⁾	0

Notes:

- (1) Trading was halted on March 1, 2011 as a result of the announcement of a proposed Qualifying Transaction with Southern Andes.
- (2) No trading occurred; therefore no high or low price for the period was established.

Stock Option Plan

Shareholders at the Ansue Meeting will be asked to approve the Stock Option Plan, which is a 20% fixed stock option plan. The Stock Option Plan, if approved by the shareholders, will not become effective until completion of the Qualifying Transaction, at which time the issued and outstanding shares of the Resulting Issuer will be 50,921,168, which means when it becomes effective there will be 10,184,233 Ansue Shares (post-consolidation) reserved for issuance pursuant to the Stock Option Plan. Presently, there are 133,332 Ansue Options outstanding, which will become options in the Resulting Issuer, which means that there will be approximately 10,050,901 Ansue Shares (post-consolidation) available to be issued pursuant to the Stock Option Plan.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Resulting Issuer and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Stock Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Ansue Shares may be listed or may trade from time to time. The total number of Ansue Shares which may be reserved for issuance to any one individual under the Stock Option Plan within any one year period shall not exceed 5% of the outstanding issue. The maximum number of Ansue Shares which may be reserved for issuance to insiders under the Stock Option Plan, any other employer stock option plans or options for services, shall be 10% of the Ansue Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 10% of the outstanding issue.

The maximum number of stock options which may be granted to any one consultant under the Stock Option Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the Ansue Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to any persons performing investor relations services under the Stock Option Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the Ansue Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The exercise price of options issued may not be less than the fair market value of the Ansue Shares at the time the option is granted, less any allowable discounts.

Non-Arm's Length Party Transactions

The proposed Acquisition is not a Non-Arm's Length Qualifying Transaction.

Legal Proceedings

There are no claims, actions, suits, judgements, litigation or proceedings pending against or, to the knowledge of Ansue, affecting Ansue or to which Ansue is a party or of which any of its properties is the subject matter, which will or may have a material adverse effect upon Ansue after giving effect to the Acquisition, or which may prevent the completion of the Qualifying Transaction, and Ansue is not aware of any existing ground on which any such claim, action, suit, judgement, litigation or proceeding might be commenced with any reasonable likelihood of success.

Auditor, Escrow and Transfer Agent and Registrar

Auditor

The auditors of Ansue are Chang Lee LLP, Chartered Accountants. Chang Lee LLP have been Ansue's auditors since January 21, 2010. In connection with the Qualifying Transaction, the auditors of Ansue will resign and will be replaced by Smythe Ratcliffe LLP. Ansue is not required to SEDAR file and circulate a reporting package pursuant to National Instrument 51-102 ("NI 51-102") because the change in auditors occurred in connection with a takeover or similar transaction involving Ansue. Ansue's determination to change auditors was not a result of any "reportable event" as such term is defined in NI 51-102.

Escrow and Transfer Agent and Registrar

The Escrow and Transfer Agent and registrar of Ansue is Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

Material Contracts

Ansue has not entered into any material contracts since incorporation, other than contracts in the ordinary course of business, other than:

- (a) the CPC Escrow Agreement dated March 22, 2010 among Ansue, the Escrow and Transfer Agent and certain shareholders;
- (b) the Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated as of January 21, 2010 between Ansue and the Escrow and Transfer Agent;
- (c) the Qualifying Transaction Agreement;
- (d) the Subscription Receipt Agreement;
- (e) the Warrant Indenture dated May 31, 2011 as between Ansue and Computershare Trust Company of Canada; and
- (f) the Agency Agreement.

Copies of these agreements are available for inspection at Ansue's registered office at #490-580 Hornby Street, Vancouver, British Columbia V6C 3B6, during ordinary business hours until the Acquisition date and for a period of thirty days thereafter.

Additional Information

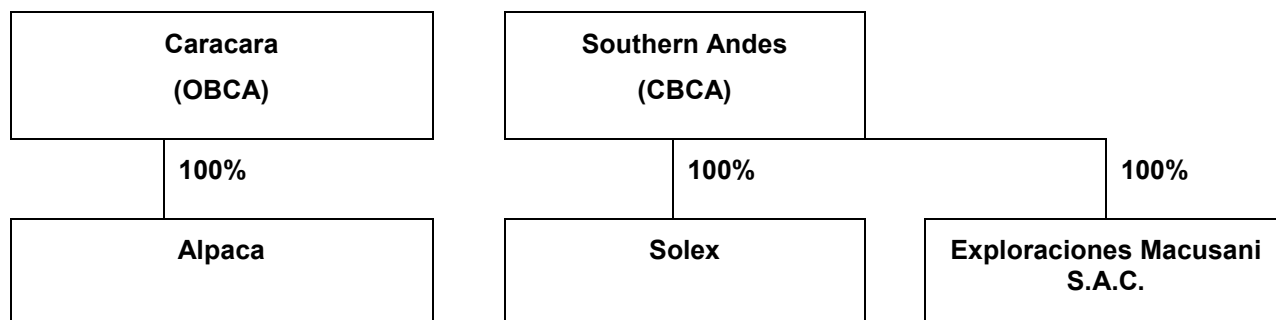
Additional information with respect to Ansue may be found on the SEDAR website at www.sedar.com.

PART 6 INFORMATION CONCERNING CARACARA

Corporate Structure

Caracara Silver Inc. was incorporated by Certificate of Incorporation issued pursuant to the provisions of the OBCA, on September 1, 2010 under the name Caracara Mining Inc. Caracara changed its name to Caracara Silver Inc. by articles of amendment dated November 16, 2010. Caracara has one wholly-owned subsidiary being; Alpaca. At present, Solex is a wholly-owned subsidiary of Southern Andes and holds silver assets that form part of the Qualifying Transaction and uranium assets that do not form part

of the Qualifying Transaction. On July 25, 2011, Solex transferred all of its uranium assets into a new subsidiary of Southern Andes, as the uranium assets do not form part of the Qualifying Transaction.



The registered office of Caracara is located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1.

Development of the Business

Caracara controls more than 24,000 hectares of land along the Princesa-Pilunani mineralized trend located 210 kilometres north of Juliaca, in Southern Peru. On the key Princesa silver-zinc-lead project, historic drilling of 6,889 metres led to the estimation of NI 43-101 compliant inferred mineral resources of 4.6 million tonnes grading 90.88 grams silver per tonne, 1.69% zinc and 1.66% lead along a zone striking for 1.5 kilometres and to a depth of 150 metres.

The potential to increase resources at Princesa is deemed to be good as the main mineralized zone remains open along strike and at depth.

On September 27, 2010, Caracara signed an agreement with Cybersonic, to acquire an extensive mineral exploration database including technical data and results from regional exploration throughout the Princesa-Pilunani trend. This database was used to map stake approximately 10,000 hectares of land proximal to the Princesa project area thereby consolidating the Princesa-Pilunani trend.

Cybersonic is a private mineral exploration company owned and managed by Alexander Hirtz, a professional geologist. Mr. Hirtz has more than 20 years of mineral exploration experience throughout Latin America including more than eight years in the Princesa-Pilunani mineralized trend.

Following the completion of the ground acquisition program, Caracara holds more than 24,000 hectares of ground in the Princesa-Pilunani trend.

Caracara is a "private company" as defined in the *Securities Act* (Ontario), and no securities of Caracara have ever traded on any stock exchange. See "*Part 6 – Information Concerning Caracara – Prior Sales of Caracara Securities*". On April 13, 2011, Southern Andes entered into the Qualifying Transaction Agreement pursuant to which it agreed to sell all of the shares of Caracara, Solex and Alpaca to Ansue in exchange for 100,000,000 Ansue Shares, the assumption of the Interco Debt and the assumption of the Issuance Obligation. Additionally, as part of the Qualifying Transaction Agreement, Caracara agreed to transfer any and all uranium assets it held to Southern Andes.

Caracara's strategic plan involves the development of the Silver Properties in Peru. This plan will include a first phase 5,000-m drill program designed to better define and expand the resources at Princesa and also a regional reconnaissance exploration program designed to test the mineral potential of additional targets defined by surface mineralization and favourable geology.

The directors and officers of Caracara and the number of shares of Caracara held by each are as follows:

Name	Position	Number of Caracara Shares Held
Nick Tintor	President, CEO, Director	Nil
Laurence Curtis	Chairman	Nil
Stephen Gledhill	Chief Financial Officer	Nil
Leslie Haddow	Corporate Secretary	Nil

Caracara's Business

Overview

Caracara was created to hold the non-uranium assets of Southern Andes Energy. These assets include approximately 24,000 hectares of prospective land in the Princesa-Pilunani trend located 210 km north of Juliaca, Peru. On the key Princesa silver-zinc-lead project, historic drilling of 6,889 metres led to the estimation of NI 43-101 compliant inferred mineral resources of 4.6 million tonnes grading 90.88 grams silver per tonne, 1.69% zinc and 1.66% lead along a zone striking for 1.5 kilometres and to a depth of 150 metres.

Caracara will focus on developing its silver-zinc-lead projects in Peru and will seek to grow via exploration, development and acquisition of additional advanced stage or near production silver projects.

Near Term Goals

The key objectives of Caracara over the next 12 months are as follows:

- Complete the first phase exploration program on the Princesa Project estimated to total \$556,000. This work will include relogging of old drill core and completion of an induced polarization survey across the property.
- A second phase program totalling \$1,163,000 will include 5,000 metres of drilling and will be designed to expand the inferred resources at Princesa and to test known silver targets on surface which are proximal to the main Princesa structure.
- Additional work will include a reconnaissance exploration program on the surrounding properties which total 24,000 hectares. This work will include mapping, sampling and trenching of mineralized showings to better define them prior to drilling.

Employees

Following the Acquisition, Caracara will have approximately 3 employees: Nick Tintor, President, CEO and Director; Stephen Gledhill, Chief Financial Officer; and Leslie Haddow, Corporate Secretary.

Caracara's executive officers consist of individuals that are experts in their fields with the ability to execute and manage Caracara's operational and development plans. Over and above the corporate executive officers listed below, Caracara will hire support staff to work at its head office.

Concurrent with the closing of the Qualifying Transaction the Resulting Issuer will be entering into employment agreements with the following individuals:

- i. **Nick Tintor, B.Sc.** – President and Chief Executive Officer and Director. Mr. Tintor also serves as Chief Executive Officer and President of Southern Andes Energy Inc. He has been a Director of Southern Andes Energy Inc. since January 29, 2007. Mr. Tintor also served as a Director of Macusani Yellowcake, Inc. from October 2008 to April 2011 and is Managing Director of RG Mining Investments Inc., a private mineral project generation and services company. He is a Member of The Canadian Institute of Mining and Metallurgy (CIMM), the Prospectors and Developers Association of Canada and the Ontario Prospectors Association, the Society of Economic Geologists, the Geological Association of Canada and is a Member of the University of Toronto's Department of Geology Industry Steering Committee. Mr. Tintor holds a Bachelor of Science in Geology from the University of Toronto.
- ii. **Stephen Gledhill, CMA** – Mr. Gledhill is a Certified Management Accountant (CMA) and is the Managing Director and Chief Financial Officer of RG Mining Investments Inc., a private mineral project generation and services company. A graduate of Waterloo University (B.Math), Mr. Gledhill has over 25 years of financial-control experience and acts as CFO for several publically-traded mining and exploration and health-services companies. Prior to the inception of Keshill Consulting Associates Inc., Mr. Gledhill served as the Senior Vice President and CFO of Borealis Capital Corporation, a Toronto-based merchant bank.
- iii. **Leslie Haddow – Corporate Secretary.** Mrs. Haddow has acted as Corporate Secretary of Southern Andes since May 2010, and Corporate Secretary of Firebird Resources since May 2011. From September 2008 to March 2011, Leslie Haddow acted as Corporate Secretary of Homeland Uranium Inc. From 2005 to 2007 she acted as Corporate Secretary of Cornerstone Capital Partners LLP. From 2002 to 2005 Leslie Haddow acted as Corporate Secretary of Avotus Corporation (TSXV: AVS). From 1996 to 2002 she acted as Assistant Corporate Secretary of Canadian Real Estate Investment Trust (CREIT) (TSX: REF.UN). Leslie Haddow brings more than 15 years of experience in the corporate secretarial role and has been involved in many industries, including mining/mineral exploration, real estate, and corporate finance.

See “Part 7 – Information Concerning the Resulting Issuer – Resulting Issuer Officers, Directors and Promoters”.

The Princesa Project

Property Description and Location

The Princesa Project is located approximately 1,000 km southeast of Lima, the capital of Peru, within the administrative department of Puno. It consists of 13 mining concessions covering an area totalling approximately 10,000 hectares which are held by Solex, the wholly owned Peruvian subsidiary of Southern Andes.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the property is via air from Lima to Juliaca and by road from Juliaca over a distance of 210 kilometres. The property sits at an altitude which varies from 4,250 to 4,500 metres above sea level.

Access and infrastructure surrounding the Princesa Project are good. The area is surrounded by gravel roads which connect Crucero, the closest village from the property, to Juliaca, one of the most important mid-sized cities of the southern part of Peru. Access roads include the Transoceanic Highway which connects Brazil to the Pacific Ocean and a series of well maintained paved and dirt roads. Juliaca is approximately at four-hour drive (210 km) from the project area. The city offers all services including a regional airport that services the Lima-Juliaca route.

Water and manpower are readily available near the project site. Power would come from the national electrical grid passing some 20 kilometres to the north. The Cullco River crosses the southeast part of the

property and provides water all year round. Local manpower is available nearby but is not trained for modern exploration and mining techniques. Qualified personnel, heavy equipment and contractors for completing project exploration and development are available out of Juliaca.

The Princesa Project overlooks the Cullco River valley, along the south eastern part of the Peruvian Cordillera. The topographic expression of the region is dominated by the Peruvian altiplano sitting approximately at an altitude of 4,200 metres above sea level which is surrounded by gently sloping, poorly vegetated mountains and moderate incised valleys. At the property scale, elevations range from 4,275 to 4,500 metres above sea level, the lowest topographic point corresponding to the Cullco River located at the south-eastern part of the property.

The region is characterized by a dry and cold season between May to October where temperatures below 0°C occur at night, while from November to April, the climate is warmer with frequent rain and/or snow falls. The slopes of the mountains are naturally covered by small brush and grass which constitute natural pasture for live-stock farming.

History

Limited information is available in the public files of the Ministry of Energy and Mines of Peru. Previous work completed by South American Goldfields (“SAG”) in 1960 included some mapping and sampling and the excavation of approximately 500 metres of tunnels. SAG identified three mineralized structures named Princesa, Melchorita and Norca having silver values greater than 5 oz/t. Robillard (1965) has presented a Resource Mineral Estimate standing at 8,000 tonnes grading 4 oz/t Ag and 7% Pb. Later in 1974, Prieto stated that the Princesa Vein hosted reserves standing at 27,920 tonnes at 4.6 oz/t Ag, 5.2% Pb and 2.88% Zn. None of these resource estimates meet the NI 43-101 standards and, they should be considered as historical resources.

In 2004, Buscore International, on behalf of Southern Andes, carried out a preliminary geological assessment of the Princesa Project revealing the presence of five base metals (Ag-Pb-Zn) mineralized veins emplaced in fault zones hosted by clastic sedimentary rocks and breccias. The report also points out that the Princesa Vein is the main mineralized structure having being traced over a minimum strike length of 1,500 metres. Additional base metals mineralization also occurs within the limestone and conglomerate. Several encouraging assay results with maximum values at 542 ppm Ag, 6.2% Pb and 1.99% Zn were obtained from the 54 rock samples collected from various mineralized outcrops and tunnels.

In 2006, Buscore-Southern Andes completed some complementary mapping and geochemical sampling which yielded several significant silver-lead-zinc values (>50 g/t and 1%) including some spectacular silver values such as 1500 g/t Ag (sample OJO-27). 66 samples were taken from old tunnels, trenches and pits excavated on different mineralized structures. In the tunnels, samples were taken as chips or channels measuring 2.0 metres long by 0.10-0.20 metre wide along the direction of the mineralized structure. Tunnel West, located at 306399E-8398470N, returned an average of 36.6 g/t Ag, 1.09% Pb and 0.9% Zn over a distance of 34 metres while Tunnel North, located at 397258E-8398374N, returned an average of 40.4 g/t Ag, 0.62% Pb and 0.94% Zn over a distance of 12 metres. The true thickness of the mineralized zone cannot be assessed using this sampling method. Following the favourable results of this preliminary work, eleven drill holes totalling 787.4 metres (DDH # PRIN-01 to PRIN-11) tested the Princesa (8 holes) and the V2 veins (3 holes). This program yielded individual assay results reaching up to 754.3 g/t Ag, 6% Pb and 4% Zn. Results of the drilling are more fully described in the Princesa Technical Report.

In 2006-07, JVX was mandated by Buscore/Southern Andes to complete some geophysical surveys comprised of HLEM, VLF, magnetic and induced polarization. The author noted that a very good correlation exists between the IP chargeability anomalies and the Princesa Vein. This correlation is due to the high oxide-sulphide content of this mineralized structure.

In 2007, Buscore-Southern Andes completed a second drilling program consisting of 53 holes totalling 6,101.6 metres. DDH # PRIN-12 to 64 tested various targets and in particular the Princesa Vein. Some high grade mineralized intervals with individual values up to 1268.5 g/t Ag, 14% Pb and 6% Zn were intersected. Results of the drilling could not be described in detail in the Princesa Technical Report. All diamond drill holes are available for consultation at Alpaca's warehouse in Juliaca.

In 2007-2008, Southern Andes contracted ExploAndes, a Peruvian consulting firm in mining and exploration, which, from December 5th to February 18th, completed the following work program:

- Generation of a base map covering 220 hectares at a scale of 1:1000.
- Survey of the 64 drill holes drilled in 2006 and 2007.
- Geological mapping and geochemical sampling at a scale of 1:1000.
- Mapping and sampling (263 samples) of the mineralized structures in the old tunnels.
- Detailed re-logging and re-sampling of 16 pre-selected drill holes.
- Generation of 16 cross sections and a longitudinal section for the Princesa Vein.

More detailed results are described in detail in the Princesa Technical Report.

Geology Setting

Regionally, the rocks surrounding the property are part of the eastern cordillera geological region of Peru which is mainly comprised of rocks ranging from the Paleozoic to Tertiary age including recent sediments. The Princesa Project is located within the Limbani Region mapped by Monge and Zedano (1996) and updated by Sanchez and Zapata (2001). To the west of the property, a major inverse north-south trending fault put in contact some Paleozoic rocks (Ambo, Tarma and Copacabana Groups) with Cretaceous sedimentary rocks. To its north, the Cretaceous sedimentary sequences are truncated by NE trending faults. A major east-west trending anticline has been mapped to the south of the project.

Exploration

All recent exploration work carried out at Princesa has been completed by consulting firms under the supervision of Southern Andes. From 2004 to 2007, exploration done by Buscore consisted of reconnaissance mapping, random sampling and geophysical surveys (HLEM, VLF, Magnetic and Induced Polarization) which led to the completion of 64 diamond drill holes. Drilling targeted the lateral and depth extensions of the Princesa Vein, the V1a, V2 and other secondary veins where high base metals and silver values were encountered.

The last exploration program carried out at Princesa was completed by ExploAndes from December 2007 to February 2008. During this program, all data was collected under the supervision of professional junior to senior-level geologists utilizing accepted international exploration standards.

Mineralization

The polymetallic mineralization found on the property occurs as vein/stockwork/replacement type and is hosted by sandstone and conglomerate of the Huancané Formation, limestone and diatreme breccias. This mineralization is structurally controlled and may extend up to 10 metres away from the walls of the fault. Some scattered Pb-Zn mineralization also occurs as veins and dissemination within the limestone located on the footwall of the inverse fault to the south eastern part of the working area. On the periphery of the main Pb-Zn veins, some narrow veins of extremely high grade silver (up to 1500 g/t Ag) are also encountered.

Drilling

Since 2006, Southern Andes drilled 64 holes totalling 6,889 metres on the Princesa Project to test the lateral and depth extension of the mineralized veins, mainly the Princesa Vein which, as of today, represents the main mineralized feature discovered on the property. During the last exploration program, all drill holes have been re-located and a series of 16 selected cross sections and a longitudinal section of the Princesa Vein have been produced. The location of each hole has been obtained via surveying while direction and dip came from the partial diamond drill hole database provided by Buscore. The 16 holes that have been re-logged were jointly selected by Southern Andes and ExploAndes staff accordingly to the following criteria: holes which intersected the Princesa Vein (15 holes), the V2 Vein (1 hole) and holes which returned high Ag-Pb-Zn values. The relogging allowed Southern Andes to obtain a complete description of the mineralized veins and to complete some data verification assays.

Most of the drilling (48 holes) completed by Southern Andes was focused on testing the lateral and vertical continuity of the Princesa Vein and intercepting the extensions of the V1a and V1b veins. Seven holes also tested the extensions of the V2 Vein and finally, 9 holes were completed on other targets. However, not all drill holes that aimed to test the Princesa Vein cut the projected target as some holes have been stop prematurely or were incorrectly planned. Of note, 14 holes were drilled along a 1 kilometre-long section of the Princesa Vein to the west of north-northeast trending faults mapped in the centre of the area (DDH PRIN-17-18, 56-59, 50-53, 57, 47-48, 61-62, 54-55 and 58). Of these 14 holes, eight cut the Princesa Vein yielding some spectacular grades such as: 609.71 g/t Ag, 2.43% Pb and 0.96 % Zn over 9 metres in hole PRIN-53 and, 189.76 g/t Ag, 5.47% Pb and 1.92% Zn over 12 metres in hole PRIN-61. The holes which did not intersect the Princesa Vein were drilled at a very steep angle (085°) and consequently missed the Princesa Vein which, in this area, is interpreted to dip at 60-70°. The most significant conclusion is that the Princesa Vein shows continuous Ag-Pb-Zn mineralization over a minimum strike length of 1,500 metres, is open along strike on its west side and at a depth where the deepest hole mineralized intersection stands at 150 metres vertical.

Sampling and Analysis

ExploAndes collected 263 samples from the 2007-2008 exploration program using several types of sampling techniques: non continuous channel samples across the entire width of the outcropping veins at every 10 or 20 metres; chip samples taken every 2 metres across the width of the veins in the tunnels; grab samples collected in areas of poorly exposed "rubble-crop" and; panel sampling on other mineralized veins and outcrops. The author collected non continuous channel samples across the entire width of the mineralized veins.

All samples of in situ materials were collected with a geological hammer and chisel. Due to the fine fracture-controlled and irregular nature of the mineralization, many samples were collected as "scatter-chips" or continuous panels over areas of generally greater than one square metre. Sample weight was approximately three to five kilograms and the entire sample was placed on a clean plastic sheet spread in front of the outcrop. Then, the sample was described by a geologist and was placed in a numbered plastic bag containing a distinct laboratory sample tag.

During the relogging phase, 24 samples were collected from the diamond drill core review. 50% of the remaining core for each interval was selected, put in a sealed plastic sample bag containing a distinct laboratory sample tag.

Based upon the observations regarding the nature of the alteration and mineralization at the Princesa Project and the QC/QA procedure and check sampling program done by ExploAndes, sample results appear to be reliable and accurate. Surface sampling procedures are considered justified and adequate, and show good repeatability based upon check sampling.

Security of Samples

As part of its sample quality control system, ExploAndes applied a strict sample management program which included recording each individual sample on a uniquely numbered sample card, inserting sample duplicates, sample standards and sample blanks. The QC/QA procedure implemented by ExploAndes consisted of the insertion of one duplicate, one commercially purchased standard and one proven blank by batch of 25 samples. Field sample duplication is carried out by sampling as precisely the area previously sampled using the same sampling technique and collecting a similar sample volume.

Assaying has been performed at ALS CHEMEX del Peru for all surface samples and drill core for the 2004-07 exploration programs. ExploAndes used SGS del Peru for its own program. The following assay techniques were used:

- **ICM40B:** Analysis for multi elements by acid digestion (agua regia) with final readings obtained using a conventional ICM spectrometer.
- **FAA313:** Analysis for gold (range of detection from 5 to 5,000 ppb) via fire assay absorption atomic finish.
- **AAS41B:** Analysis via absorption atomic for ore grade samples for samples which value were greater than the upper limit of detection in ICM40B and FAA313; the metals analyzed were Ag, Pb and Zn.

Assaying for the samples collected by the author were done by CIMM Peru SA via a multi-elements package (Au + 34) where gold is assayed via absorption atomic-fire assay finish (Au-EFAA02) with lower and upper limit of detection of 5-10,000 ppb. The remaining elements were analyzed via acid digestion (ICP-MA01) with respective lower and upper limits of detection of 0.2-100 ppm for Ag and 1-10,000 ppm for all other metals. Samples with Ag-Pb-Zn values greater than the upper limit of detection were reprocessed via atomic absorption technique (AAMA02).

These three laboratories are fully accredited by the CSA. Although their assay techniques are quite comparable, some discrepancies may occur between individual samples taking in account the irregular nature of the mineralization. Nevertheless, the author believes that an adequate methodology was maintained with respect to sample collection, preparation, analyses and security.

Mineral Resource and Mineral Reserves

According to the standards for classifying Reserves and Resources set by the Canadian Institute of Mining and Metallurgy and accordingly within the definitions as defined by NI 43-101, the Ag-Pb-Zn mineralization found at Princesa can be classified as an Inferred Mineral Resources. The text reads as follows: "An Inferred Mineral Resource is part of a Mineral Resource for which quantity and grade can be estimated on the basis of geological evidence, limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes". The following parameters have been used to estimate the resources of each vein.

- Zone of influence of each hole; half distance between holes, 50 metres away from the last intersection
- Minimum thickness; 1.2 metre
- Grades; No assays were cut
- Specific gravity; 2.75 t/m³
- Cut-off grade; not applied due to the extreme variation of silver grades. The ore material occurring along the Princesa Vein could be Ag rich with low base metals or base metals rich with low silver. Therefore, the reader should understand that any combination of either Ag-Pb-Zn could eventually be considered as ore material.
- Polygonal method; this method was used after having prepared a longitudinal section.

Based on 24 drilled, irregularly spaced intercepts, the author has estimated that the Princesa Vein hosts an Inferred Mineral Resource totalling 4.6 million tonnes grading 90.88 g/t Ag, 1.66% Pb and 1.69% Zn.

For a complete listing and description of the Princesa Project, please see the Independent 43-101 Technical Report on the Princesa Project, Department of Puno, Peru, dated January 15, 2011 prepared by Services Geologiques A. Vachon, which can be found on SEDAR.

Caracara's Strengths

Caracara's management team has years of experience in all facets of mineral exploration, project management and project generation. This includes many years of field management expertise in Peru in a variety of geological settings. Our technical team in Peru, led by Alain Vachon, Vice President-Exploration, is knowledgeable about operating in Peru including in depth knowledge and expertise in community and social relations.

Caracara's Philosophy

Caracara is committed to operating its business adhering to industry best practises standards with respect to employee safety, environmental practises and to community relations.

Material Contracts

Caracara has entered into the following material contracts:

1. the Princesa Purchase Agreement, as amended.

Legal Proceedings

There are no claims, actions, suits, judgements, litigation or proceedings pending against or, to the knowledge of Caracara, affecting Caracara which will or may have a material adverse effect upon Caracara after giving effect to the Acquisition, or which may prevent the completion of the Qualifying Transaction, and Caracara is not aware of any existing ground on which any such claim, action, suit, judgement, litigation or proceeding might be commenced with any reasonable likelihood of success.

Regulatory Regime

Peruvian mining laws grant concession holders the right to exploit and explore all mineral resources that may be found in the subsoil of the concession area. Mining concessions shall be granted in extensions ranging from 100 to 1000 hectares in grids or groups of adjacent grids that are contiguous to each other

at least by one side. Concessions are irrevocable provided that the concessionaire fulfills the obligations set forth by the General Mining Act to maintain the concession effectiveness.

On June 30th of each year, renewal fees and penalties, if applicable, must be paid to the Peruvian government by the title owner to maintain the mining concessions in good status. The annual fee is US \$3.00 per hectare while the penalty is US \$6.00 per hectare. The penalty applies if the owner does not comply with the minimum investment required to reach commercial production in the first semester of the seventh renewal year computed from the date on which the title has been granted. Peruvian mining law allows the owner of the mining concessions to pay these fees and penalties up to one year after they are due.

All mining concession applications shall be published only once in the "El Peruano" Official Gazette and in the newspaper in charge of the publication of court notices in the capital city of the province where the requested area is located. In the latter case, if no such newspaper exists, notices shall be posted for 7 business days in the INACC's main office or decentralized offices, as appropriate. Notices shall be published within 30 business days upon notice notification. Within 60 calendar days upon publication, the interested party shall deliver the entire pages evidencing the publication of the notices to INACC's General Bureau of Mining Concessions.

Within 30 business days upon receipt of the publication of notices, if no objection has been filed, INACC's General Bureau of Mining Concessions shall issue the legal and technical opinion. Once the resolution granting the title to the mining concession is final and un-appealable, it shall be registered upon request of the interested party, in the Registry of Mining Rights of the National Superintendence of Public Registration (Superintendencia Nacional de Registros Públicos.)

Selected Consolidated Financial Information and Management's Discussion and Analysis

Caracara

Overview

Caracara was incorporated under the *Business Corporations Act (Ontario)* on September 1, 2010 as Caracara Mining Inc. On November 16, 2010, the company changed its name to Caracara Silver Inc. The principal business activity of Caracara is the acquisition, exploration and development of mineral properties.

Selected Consolidated Financial Information

	As at and for the period from incorporation (September 1, 2010 to March 31, 2011 Audited (\$))
Corporate expenses	(51,074)
Net loss	(49,359)
Cash	149
Assets	219,519
Liabilities	268,868
Shareholders' deficit	(49,349)

The following management's discussion and analysis (the "**Caracara MD&A**") of the results of operations and financial condition of Caracara is based on and derived from the audited financial statements of Caracara as at and for the period from September 1, 2010 (date of incorporation) to March 31, 2011. Caracara was incorporated on September 1, 2011 under the name of Caracara Mining Inc. On November 16, 2010, Caracara changed its name to Caracara Silver Inc. The financial statements have been

prepared in accordance with Canadian GAAP. Except as otherwise disclosed, all dollar figures included therein and in the following Caracara MD&A are quoted in Canadian dollars.

The consolidated financial statements of Caracara are the responsibility of Caracara's management. The consolidated financial statements have prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal control to ensure that Caracara's assets are protected from loss or improper use, transactions are authorized and properly recorded and financial records are reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control through an audit committee, which is comprised primarily of non-management directors. The audit committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

Corporate Overview

Caracara is an exploration stage company. Caracara was incorporated under the *Business Corporations Act* (Ontario) on September 1, 2010 under the name Caracara Mining Inc. On September 1, 2010, Caracara changed its name to Caracara Silver Inc. The principal business activity of Caracara is the acquisition, exploration and development of mineral properties.

Results of Operations

Period from incorporation (September 1, 2010) to March 31, 2011

Expenses:

Caracara incurred \$51,074 of expenses during the period from incorporation to March 31, 2011, represented mainly by professional and accounting fees relating to the Acquisition as well as travel to the Princesa Project.

Results:

Caracara incurred a net loss and comprehensive net loss of \$49,359 for the period from incorporation to March 31, 2011. The net loss reflects a foreign exchange gain of \$1,715 over the expenses incurred during the period.

Cash flows and sources of financing:

As at March 31, 2011, cash on hand was \$149, represented by cash flow from operations of \$267,695 (loss of \$49,359 offset by changes in working capital balances of \$267,695 with such changes including advances from Southern Andes of \$268,868) and cash flow provided from financing activities (issuance of common shares on incorporation) of \$10. These cash inflows were offset by cash used in investing activities (project expenditures) of \$218,197.

Capital stock:

As at March 31, 2011, issued capital stock of Caracara consisted of 100 commons shares.

Proposed transaction (the "Acquisition")

On April 13, 2011, Southern Andes and Ansue entered into a Qualifying Transaction Agreement whereby all of the issued and outstanding shares of Caracara (a wholly-owned subsidiary of Southern Andes), and thus indirectly all of the shares of Alpaca (a wholly-owned subsidiary of Caracara), as well as all of the issued and outstanding shares of Solex (a wholly-owned subsidiary of Southern Andes) would be acquired by Ansue in exchange for 100,000,000 common shares of Ansue and the assumption by Ansue of intercorporate debt owing to Southern Andes by Caracara and/or Alpaca in the estimated amount of \$268,868. Ansue has also agreed to assume the obligation of Caracara to issue shares and make payments to Cybersonic pursuant to a purchase agreement dated September 27, 2010 and an amended agreement dated April 8, 2011, as follows:

- (i) US \$30,000 at the execution of the letter of intent (paid);
- (ii) US \$65,000 on the effective date of the agreement (paid);
- (iii) Issue 5,676,000 pre-Consolidation shares immediately following the Acquisition;
- (iv) US \$120,000 and issue 2,924,000 pre-Consolidation shares on the first anniversary date; and
- (v) US \$280,000 on the second anniversary date.

Significant accounting policies

A summary of Caracara's current, future and changes in accounting policies is included in Note 3 to the audited financial statements for the period from incorporation (September 1, 2010) to March 31, 2011 and included as Schedule B to this Filing Document.

Related-party transactions:

During the period from incorporation to March 31, 2011, the sole shareholder has funded all operations for Caracara including administrative and property maintenance expenses. All related party transactions and balances have been recorded at amounts agreed to by the parties, which equals the exchange amount. As at March 31, 2011, the balance due to Southern Andes of \$268,868 is unsecured and without interest or stated terms of repayment.

Capital management

Caracara considers its capital under management to consist of shareholders' equity and due to Southern Andes Energy Inc. Caracara manages its capital structure and makes adjustments to it, based on the funds available to Caracara, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of Caracara's management to sustain future development of the business.

The properties in which Caracara currently has an interest are in the exploration stage; as such, Caracara is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, Caracara will need to raise additional capital. Caracara will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

Caracara is not subject to externally imposed capital requirements.

Risk and uncertainties

Operational:

The operations of Caracara are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing Caracara. Additional risks not currently known to Caracara, or that Caracara currently deems immaterial, may also impair Caracara's operations. If any of the following risks actually occur, Caracara's business, financial condition and operating results could be adversely affected.

Financial risk factors:

A summary of Caracara's financial risk factors is included in Note 4 to the audited financial statements for the period from incorporation (September 1, 2010) to March 31, 2011 and included as Schedule H to this Filing Document.

Other risk factors:

Derivatives risk – resource properties

Caracara retains and/or has obligations related to certain carried interest rights, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the resource property interests to which they relate are not sufficiently developed to reasonably determine value.

Exploration and development risk

Caracara's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the mining industry. Caracara attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that Caracara will be profitable in the future.

Business risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. Caracara may not always own 100% of the mineral claims, concessions, rights or other interests. Similarly, any non-compliance with or non-satisfaction of the terms of an option agreement by Caracara could affect its ability to exercise the option and earn its interest in the claims, concessions and assets relating to resource properties.

Mining claims, concessions or other interests may not include surface rights and there can be no assurance that Caracara will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on Caracara's future operations.

Caracara's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of Caracara is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. Caracara does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect Caracara's operations and financial performance.

Political risk

Caracara's properties are located in Peru. Accordingly, Caracara is subject to risks normally associated with exploration for and development of resource properties in this country. Caracara's mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Acquisition

Caracara uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, Caracara may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with Caracara. Caracara cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit Caracara.

Competition

The mining industry is intensely competitive in all of its phases, and Caracara competes with many companies possessing greater financial resources and technical facilities than Caracara. Competition in the mining business could adversely affect Caracara's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Carve-out combined financial statements of Southern Andes – Silver Operations, combining Alpaca, Solex and Southern Andes as at and for the years ended June 30, 2010, 2009 and 2008 are attached as Schedule "B"

Description of Caracara Securities

Existing Securities

The authorized share capital of Caracara consists of an unlimited number of one class of Caracara Shares. As of the date hereof, 100 Caracara Shares are validly issued and outstanding as fully paid and non-assessable shares. Caracara has no outstanding securities convertible into Caracara shares. The Caracara Shares provide holders with the right (a) to vote at any meeting of shareholders of the corporation; (b) to receive any dividend declared by Caracara; and (c) to receive the remaining property of Caracara on dissolution.

Consolidated Capitalization

The following table states the share and loan capitalization of Caracara as at May 31, 2011 (being the last month end prior to the Filing Statement Date). This table should be read in conjunction with the carve-out combined financial statements of Southern Andes – Silver Operations, combining Alpaca, Solex and Southern Andes as at and for the years ended June 30, 2010, 2009 and 2008 that are attached as Schedule "B" to this Filing Statement.

Type of Debt or Security	Amount Authorized	Outstanding at March 31, 2011 (Audited)	Outstanding at May 31, 2011 (Unaudited)
Intercompany loan due to Southern Andes	N/A	\$268,868	\$268,868
Number of Shares	Unlimited	100	100

Prior Sales of Caracara Securities

There is no public market for the Caracara Shares. Since incorporation on September 1, 2010 wherein 100 shares were issued to Southern Andes, no additional Caracara Shares have been issued.

SOLEX Del Peru SAC

Selected Carve-out Financial Information

	As at June 30, 2010 (Audited)	As at March 31, 2011 (Unaudited)
Cash	Nil	Nil
Assets	\$1,839,234	\$1,839,856
Liabilities	\$150,000	\$150,000
Shareholders' Equity	\$1,689,234	\$1,689,856

Carve-out combined financial statements of Southern Andes – Silver Operations, combining Alpaca, Solex and Southern Andes as at and for the years ended June 30, 2010, 2009 and 2008 are attached as Schedule “B”. All amounts are reported in United States dollars, unless otherwise stated.

Management’s Discussion and Analysis for the Nine Months Ended March 31, 2010

The following management’s discussion and analysis (the “**Solex MD&A**”) of the results of operations and financial condition of carve-out Solex (representing the silver assets only) (the “Business”), is based on and derived from the financial statements of Solex (the “Business Financial Statements”) as at and for the 9 months ended March 31, 2011 (unaudited) and as at and for the year ended June 30, 2010 (audited). The Business Financial Statements reflect the financial position of carve-out Solex, a segment of Solex. All amounts are reported in United States dollars unless stated otherwise.

Pursuant to an arrangement described in below (the “**Plan of Arrangement**”), Solex is to transfer out all of its Uranium operations which have been excluded from the Business Financial Statements. The statements of operations and shareholder’s equity have not been presented with the Business Financial Statements since the allocation of general and administrative expenses and other expenditures was estimated to be \$nil as substantially all the operations of Solex was related to the Uranium operations and are not relevant in the presentation of the silver operations.

The financial statements have been presented under the continuity of interest basis of accounting with balance sheet amounts based on the amounts recorded by Solex. Management cautions readers of the Business Financial Statements that the allocation of expenses does not necessarily reflect an accurate presentation of general and administrative expenses that the Business would have incurred in the aforementioned period or will incur in the future.

The assets and liabilities of Solex that have been carved out are as follows:

	<u>\$</u>
Assets transferred:	
Cash and banks	25,848
Accounts receivable	27,263

Accounts receivable from related parties	992,341
Exploration expenses related to uranium properties	4,379,751
VAT receivable	989,241
Property and equipment	299,734
	<hr/>
	6,714,178

Liabilities transferred:

Accounts payable	12,099
amount due to shareholder	6,702,079
	<hr/>
	6,714,178
	<hr/>

As a result of excluding the above assets and liabilities the total assets and liabilities of Solex have been reduced by \$6,714,178 respectively.

Management has developed and maintains a system of internal control to ensure that Solex's assets are protected from loss or improper use, transactions are authorized and properly recorded and financial records are reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control through an audit committee, which is comprised primarily of non-management directors. The audit committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

Plan of Arrangement:

As a result of the Acquisition, Ansue will acquire all of the silver assets of Southern Andes which comprise 24,600 hectares of concessions located approximately 200 kilometres north of Juliaca, Peru. Solex currently also owns certain uranium assets located in Peru. These assets do not form a part of the Acquisition and will be transferred out of Solex to Southern Andes (or a wholly-owned subsidiary of Southern Andes) on a non-cash basis. Southern Andes has agreed to remain liable for all costs and obligations in connection with such uranium assets.

Corporate Overview:

The Business is engaged in the exploration and development of mineral resources and is considered to be in the development stage as it has not placed any of its mineral properties into production. Its properties are located in the Cusco and Puno departments, south Peru. Such activities are paid for with advances from Southern Andes, Solex's parent company.

Results of Operations:

9 months ended March 31, 2011

Expenses:

The Business has not presented statements of operations and deficit for the nine-months ended March 31, 2011 and the year ended June 30, 2010 since the allocation of general and administrative expenses to the Business was estimated to be \$nil as substantially all of Solex' operations and expenditures incurred during each of the periods presented were related to its other properties.

Cash flows and sources of financing:

As at March 31, 2011, cash on hand was \$Nil, represented by provided from financing activities (advanced by Southern Andes) of \$622 offset by cash used in investing activities (resource property expenditures) of \$622.

Capital stock:

As at March 31, 2011, issued capital stock of Solex is 10,000 common shares with nominal value. The Business Financial Statements assume that the assets and liabilities transferred out as well as the accumulated deficit were recorded as a reduction of the amount due to Southern Andes and that this amount will be converted into shares of the Solex.

Significant accounting policies:

A summary of the Business' current, future and changes in accounting policies is included in Note 4 to the Business Financial Statements for the 9 months to March 31, 2011 and included as Schedule C to this Filing Document.

Related-party transactions:

During the 9 months ended March 31, 2011, Southern Andes has funded all operations for the Business. All related party transactions and balances have been recorded at amounts agreed to by the parties, which equals the exchange amount. As at March 31, 2011, the balance due to Southern Andes of \$1,686,789 has been assumed to be converted to shares and is shown as additional capital on the balance sheet.

Capital management

The Business' capital management objective is to maximize potential investment returns to its equity stakeholders within the context of the relevant opportunities and risks associated with the Business' operating segment.

The inherent nature of mineral exploration involves a high degree of "discovery" risk. Consequently, there is substantial uncertainty as to whether any particular project will generate positive cash flows in the future. Therefore, Management funds its exploration activity primarily obtaining advances from its parent, Southern Andes. It considers amounts due from shareholder as components of its capital base. The Business is not subject to any externally imposed capital requirements.

The Business manages its capital base by quarterly and annual cash flows forecasts. The timing and extent of both program implementation and financings are determined by management's evaluation of economic factors at the time, such as commodity prices, interest rates and foreign exchange, and non-economic factors such as the expected impact that completion of a given program may have on the cost of capital.

There has been no change from the prior year in the Business' capital management.

Risk and uncertainties

Operational:

The operations of the Business are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing the Business. Additional risks not currently known to the Business, or that the Business currently deems immaterial, may also impair the Business' operations. If any of the following risks actually occur, the Business' operations, financial condition and operating results could be adversely affected.

Other risk factors:

Derivatives risk – resource properties

The Business retains and/or has obligations related to certain carried interest rights, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the resource property interests to which they relate are not sufficiently developed to reasonably determine value.

Exploration and development risk

The Business explores mineral resources that involve a variety of operational, financial and regulatory risks that are typical in the mining industry. The Business attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Business will be profitable in the future.

Business risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Business may not always own 100% of the mineral claims, concessions, rights or other interests. Similarly, any non-compliance with or non-satisfaction of the terms of an option agreement by the Business could affect its ability to exercise the option and earn its interest in the claims, concessions and assets relating to resource properties.

Mining claims, concessions or other interests may not include surface rights and there can be no assurance that the Business will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Business' future operations.

The Business' current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the Business is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The Business does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Business' operations and financial performance.

Political risk

The Business' properties are located in Peru. Accordingly, the Business is subject to risks normally associated with exploration for and development of resource properties in this country. Accordingly, the Business is subject to risks normally associated with exploration for and development of resource properties in this country. The Business' mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Acquisition

The Business uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Business may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development,

or integrate such opportunity and their personnel with the Business. The Business cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Business.

Competition

The mining industry is intensely competitive in all of its phases, and the Business competes with many companies possessing greater financial resources and technical facilities than the Business. Competition in the mining business could adversely affect the Business' ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

SOUTHERN ANDES ENERGY INC.

Selected Carve-out Financial Information

	As at March 31, 2011 (Unaudited)	As at June 30, 2010 (Audited)	As at June 30, 2009 (Audited)
Cash	\$Nil	\$Nil	\$Nil
Assets	\$3,902,538	\$3,902,538	\$3,902,538
Liabilities	\$Nil	\$Nil	\$Nil
Shareholders' Equity	\$3,902,538	\$3,902,538	\$3,902,538

Carve-out combined financial statements of Southern Andes – Silver Operations, combining Alpaca, Solex and Southern Andes as at and for the years ended June 30, 2010, 2009 and 2008 are attached as Schedule "B". All amounts are reported in Canadian dollars, unless stated otherwise.

Management's Discussion and Analysis for the Nine Months Ended March 31, 2011

The following management's discussion and analysis (the "**Southern Andes MD&A**") of the results of operations and financial condition of carve-out Southern Andes (representing the silver assets only) (the "SA Business"), is based on and derived from the financial statements of Southern Andes (the "SA Business Financial Statements") as at and for the 9 months ended March 31, 2011 (unaudited) and as at and for the years ended June 30, 2010 and 2009 (audited). The SA Business Financial Statements reflect the financial position of Carve-out Southern Andes, a segment of Southern Andes Energy Inc.

Nature of operations:

The carve-out balance sheet of the SA Business presents the historical financial position on a carve-out basis in connection with the transfer by Southern Andes of its interests in the silver assets to Ansue. The SA Business Financial Statements and notes thereto have been derived from the accounting records of Southern Andes on a carve-out basis and should be read together with the audited financial statements and notes thereto of Southern Andes for the years ended June 30, 2010 and 2009 available for reference on the Company's profile at SEDAR.com. The SA Business Financial Statements have been presented under the continuity of interest basis of accounting with balance sheet amounts based on amounts recorded by Southern Andes. Management cautions readers of the carve-out balance sheet that the results do not necessarily reflect the results of operations or financial position that the Business would have incurred in the aforementioned period or will incur in the future.

The SA Business' ability to continue as a going concern is dependent on continued financial support from Southern Andes and their shareholders, the ability of the SA Business to raise financing or the attainment of profitable operations to settle liabilities as they become payable. The carve-out balance sheet has been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The carve-out balance sheet does not include adjustments to the

recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Business be unable to continue as a going concern.

Results of Operations:

9 months ended March 31, 2011

The SA Business has not presented statements of operations and deficit for the nine-months ended March 31, 2011 and the years ended June 30, 2010 and 2009 since the allocation of general and administrative expenses to the SA Business was estimated to be \$nil as substantially all of Southern Andes' operations and expenditures incurred during each of the periods presented were related to its other properties.

Significant accounting policies

A summary of SA Business' current, future and changes in accounting policies is included in Notes 2 and 3 to the carve-out combined financial statements of Southern Andes – Silver Operations, combining Alpaca, Solex and Southern Andes as at and for the years ended June 30, 2010, 2009 and 2008 that are attached as Schedule "B" to this Filing Document.

Capital Management:

The SA Business' capital management objective is to maximize potential investment returns to its equity stakeholders within the context of the relevant opportunities and risks associated with the Business operating segment.

The inherent nature of mineral exploration involves a high degree of "discovery" risk. Consequently, there is substantial uncertainty as to whether any particular project will generate positive cash flows in the future. Therefore, management funds its exploration activity primarily by issuing share capital, rather than using other capital sources that require fixed repayments of principal and interest. It considers share capital and notes payable as components of its capital base. The SA Business is not subject to any externally imposed capital requirements.

The SA Business manages its capital base by quarterly and annual cash flows forecasts. The timing and extent of both program implementation and financings are determined by management's evaluation of economic factors at the time, such as commodity prices, interest rates and foreign exchange, and non-economic factors such as the expected impact that completion of a given program may have on the cost of capital.

There has been no change from the prior year in the Business' capital management.

Risk and uncertainties

Operational:

The operations of the SA Business are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing the SA Business. Additional risks not currently known to the SA Business, or that the SA Business currently deems immaterial, may also impair the Business' operations. If any of the following risks actually occur, the SA Business' operations, financial condition and operating results could be adversely affected.

Other risk factors:

Derivatives risk – resource properties

The SA Business retains and/or has obligations related to certain carried interest rights, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the resource property interests to which they relate are not sufficiently developed to reasonably determine value.

Exploration and development risk

The SA Business explores mineral resources that involve a variety of operational, financial and regulatory risks that are typical in the mining industry. The SA Business attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Business will be profitable in the future.

Business risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The SA Business may not always own 100% of the mineral claims, concessions, rights or other interests. Similarly, any non-compliance with or non-satisfaction of the terms of an option agreement by the SA Business could affect its ability to exercise the option and earn its interest in the claims, concessions and assets relating to resource properties.

Mining claims, concessions or other interests may not include surface rights and there can be no assurance that the SA Business will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the SA Business' future operations.

The SA Business' current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the SA Business is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The SA Business does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the SA Business' operations and financial performance.

Political risk

The SA Business' properties are located in Peru. Accordingly, the SA Business is subject to risks normally associated with exploration for and development of resource properties in this country. Accordingly, the SA Business is subject to risks normally associated with exploration for and development of resource properties in this country. The SA Business' mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Acquisition

The SA Business uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the SA Business may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Business. The SA Business cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the SA Business.

Competition

The mining industry is intensely competitive in all of its phases, and the SA Business competes with many companies possessing greater financial resources and technical facilities than the SA Business. Competition in the mining business could adversely affect the SA Business' ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

PART 7 INFORMATION CONCERNING THE RESULTING ISSUER

Resulting Issuer Corporate Structure

Name and Incorporation

Upon completion of the Qualifying Transaction, the name of Ansue will be changed to Caracara Silver Inc. or such other name as may be approved by Southern Andes and the Exchange and any other governmental authority having jurisdiction. The Resulting Issuer will be subject to the BCBCA. The head office and registered office of the Resulting Issuer will be in Toronto, Ontario.

Intercorporate Relationships

Pursuant to the Acquisition, Ansue will hold a 100% interest in Caracara, which will in turn hold a 100% interest in both of Solex and Alpaca, each a wholly-owned direct subsidiary.

Resulting Issuer Narrative Description of the Business

The Resulting Issuer will carry on the business of Caracara. See "*Part 6 – Information Concerning Caracara - Caracara's Business*".

Stated Business Objectives of the Resulting Issuer

The Resulting Issuer will carry on the business currently carried on by Caracara, to the exclusion of the previously held uranium assets. See "*Part 6 – Information Concerning Caracara – Caracara's Business*", "*Part 6 – Information Concerning Caracara*" and "*Part 7 - Information Concerning the Resulting Issuer – Resulting Issuer Available Funds and Principal Purposes*". The business objectives of the Resulting Issuer will be the business objectives of Caracara set out herein.

Milestones of the Resulting Issuer

Following the closing of the Qualifying Transaction, Caracara has several business objectives to accomplish:

- Commencing field exploration activities on its projects in Peru. This work will include initiating the Phase One exploration program on Princesa which will include relogging of old drill core and completing an induced polarization survey over the entire property.
- Complete the Phase Two program at Princesa including 5,000 metres of drilling.
- Initiate a property wide reconnaissance exploration program which will include mapping, sampling and trenching of mineralized showings to better define them prior to drilling.

Upon completion of the Qualifying Transaction, the board of directors of the Resulting Issuer will adopt board committee charters, codes and policies it deems necessary in accordance with good corporate governance.

Description of Resulting Issuer Securities

The classes and attributes of the Resulting Issuer Shares will be identical to those of the Ansue Shares. See “Part 5 – Information Concerning Ansue – Description of Ansue Securities”.

Resulting Issuer Pro Forma Consolidated Capitalization

Resulting Issuer Pro Forma Consolidated Capitalization⁽¹⁾

Designation of Security	Amount Authorized or to be Authorized	Amount outstanding upon completion of the Qualifying Transaction and the Offering (unaudited)
Resulting Issuer Shares	Unlimited	50,921,168
Ansue Options	133,332	133,332
Resulting Issuer Warrants	7,121,250	7,121,250
Ansue Agent’s Warrants	46,667	46,667
Resulting Issuer Agent’s Warrants	6% of the number of Ansue Subscription Receipts issued in the Offering	854,550

Note:

(1) Post-consolidation

Fully Diluted Share Capital

Set out below is a table indicating the number of Resulting Issuer Securities expected to be outstanding on a non-diluted basis and a fully-diluted basis after giving effect to the Acquisition and the percentage of the fully-diluted shares which each category represents.

Resulting Issuer Pro Forma Shareholdings⁽¹⁾	Resulting Issuer Shares Outstanding Following Completion of the Qualifying Transaction and the Offering⁽¹⁾
Resulting Issuer Shares held by existing Ansue Shareholders	1,353,333 (2.27%)
Resulting Issuer Shares held by Southern Andes	33,333,334 (56.02%)
Resulting Issuer Shares to be issued in connection with the Issuance Obligation	1,892,000 (3.18%)
Resulting Issuer Shares to be issued for finder’s fees pursuant to the Qualifying Transaction Agreement	100,000 (0.17%)
Resulting Issuer Shares to be issued upon conversion of Ansue Subscription Receipts	14,242,501 (23.94%)
Total non-diluted share capital of the Resulting Issuer:	50,921,168 (85.58%)

Resulting Issuer Pro Forma Shareholdings⁽¹⁾	Resulting Issuer Shares Outstanding Following Completion of the Qualifying Transaction and the Offering⁽¹⁾
Issuable to Holders of	
Ansue Options	133,332 (0.22%)
Resulting Issuer Agent's Warrants	1,281,825 (2.15%)
Resulting Issuer Warrants	7,121,250 (11.97%)
Ansue Agent's Warrants	46,666 (0.08%)
Total fully diluted capital of the Resulting Issuer:	59,504,241 (100%)

Notes:

(1) Post-consolidation

Resulting Issuer Available Funds and Principal Purposes

The following table sets out the estimated funds available to the Resulting Issuer after giving effect to the Offering and the Acquisition as at the dates indicated.

Source of Funds	Following Completion of the Qualifying Transaction and the Offering
Ansue working capital as of January 31, 2011	\$197,749
Caracara working capital deficit as at April March 31, 2011	\$(267,546)
Solex working capital deficit as at March 31, 2011	\$(145,440)
Net proceeds of the Offering	\$6,024,578
Total available funds	\$5,809,341

Notes:

- (1) Pursuant to the Qualifying Transaction Agreement, Ansue is required to have a approximately of \$150,000 in cash at the time of closing of the Qualifying Transaction.
- (2) The total available funds, uses of funds, working capital and unallocated funds have been presented based on financial information as at March 31, 2011. Upon completion of the Qualifying Transaction, such amounts will likely be lower as a result of working capital expenditures for costs and expenses related to the Qualifying Transaction from the period of March 31, 2011 to completion of the Qualifying Transaction. In addition, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives. The Resulting Issuer's working capital available to fund ongoing operations should be sufficient to meet its administration.

The following table sets out the proposed use of the available funds by the Resulting Issuer upon completion of the Qualifying Transaction and the Offering.

Principal Uses of Available Funds	Following Completion of the Qualifying Transaction and the Offering
Princesa Field Programs	\$1,890,000
Reconnaissance Program	\$500,000
Vendor Payments	\$250,000
General and Administrative	\$700,000
Working Capital and Unallocated Funds	\$2,469,341
Total uses of funds:	\$5,809,341

Note:

- (1) The total available funds, uses of funds, working capital and unallocated funds have been presented based on financial information as at March 3, 2011. Upon completion of the Qualifying Transaction, such amounts will likely be lower as a result of working capital expenditures for costs and expenses related to the Qualifying Transaction from the period of March 31, 2011 to completion of the Qualifying Transaction. In addition, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives. The Resulting Issuer's working capital available to fund ongoing operations should be sufficient to meet its administration. See "Part 6 – Information Concerning Caracara – Caracara's Business".

Dividend Policy

There will be no restrictions in the Resulting Issuer's articles or other constating documents that could prevent the Resulting Issuer from paying dividends. It is not contemplated that any dividends will be paid on any shares of the Resulting Issuer in the immediate future. The Resulting Issuer's directors will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

Resulting Issuer Principal Securityholders

It is anticipated that after giving effect to the Qualifying Transaction and the Offering, the following shareholders will hold more than 10% of the issued and outstanding shares of the Resulting Issuer.

Name	Municipality	Number of Resulting Shares	Percentage of Resulting Issuer
Southern Andes Energy Inc.	Toronto, Ontario, Canada	33,333,333	65.59%

Resulting Issuer Officers, Directors and Promoters

Name, Address, Occupation and Resulting Issuer Security Holdings

The following table sets out (a) the name and municipality of each person proposed as a director or officer of the Resulting Issuer, or a promoter of the Resulting Issuer, (b) all positions and offices in the Resulting Issuer to be held by such person, (c) the principal occupation(s) during the preceding five years, (d) the period during which such person has served as a director or officer of Caracara or Ansue, and (e) the number and percentage of Resulting Issuer Shares to be beneficially owned by such person, directly or indirectly, or over which control or direction will be exercised, as of the Closing (assuming completion of the Offering).

Name and Municipality of Residence	Principal Occupations for the Previous Five Years	Positions and Offices with the Resulting Issuer	Director/Officer Since	Number (and Percentage) of Resulting Issuer Shares Owned or Controlled
Nick Tintor Mississauga, Ontario	President and CEO of Southern Andes Energy Inc. from May 2010 to present; President and CEO of Homeland Uranium Inc. from February 2007 to March 2011	President, CEO and Director	N/A	Nil

Name and Municipality of Residence	Principal Occupations for the Previous Five Years	Positions and Offices with the Resulting Issuer	Director/Officer Since	Number (and Percentage) of Resulting Issuer Shares Owned or Controlled
Stephen Gledhill Aurora, Ontario	Principal of Grove Capital Group (2009 to present); President, CEO and Director of Homeland Uranium Inc. (March 2011 to present); President and CEO of Homeland Energy Group Ltd. (Dec. 2004 to Oct. 2009)	Chief Financial Officer	N/A	Nil
Leslie Haddow Mississauga, Ontario	Corporate Secretary of Southern Andes Energy Inc. from (May 2010 to present); Corporate Secretary of Firebird Resources Inc (May 2011 to present); Corporate Secretary of Homeland Uranium Inc. (September 2008 to March 2011); Corporate Secretary of Cornerstone Capital Partners LLP (from 2005 to 2007)	Corporate Secretary	N/A	Nil
Robert Boaz Mississauga, Ontario, Canada	Director of Dundee Securities Inc. from August 2000 to November 2004; Managing Director of Raymond James Inc. from November 2004 to March 2006; Director of Southern Andes Energy Inc (formerly Solex Resources Inc. (March 2006 to present); Director of Ur-Energy Inc. from March 2006 to March 2010; Director of AuEx Ventures from 2007 to present; Director of Aura Silver Resources from November 2006 to present; President and CEO from April 2008 to present	Director	N/A	Nil
Stephen Coates Toronto, Ontario, Canada	Principal of Grove Capital Group (2009 to present); President, CEO and Director of Homeland Uranium Inc. (March 2011 to present); President and CEO of Homeland Energy Group Ltd. (Dec. 2004 to Oct. 2009)	Director	N/A	Nil

Name and Municipality of Residence	Principal Occupations for the Previous Five Years	Positions and Offices with the Resulting Issuer	Director/Officer Since	Number (and Percentage) of Resulting Issuer Shares Owned or Controlled
John Cook Roslin, Ontario, Canada	John Cook has more than 45 years of professional experience in all facets of mining development, operations and management. He is currently a director of Cerro Resources NL, a TSX-V and ASX listed company. He is also a director of Southern Andes Energy Inc, MBMI Resources Inc., and Strategic Resources Inc., all TSX-V listed companies. He is a director of Homeland Uranium Inc., an unlisted reporting issuer, and Nord Resources Inc. a US OTC company. John Cook was Chairman of Wolfden Resources Inc. until its purchase by Zinifex Limited in June, 2007 and then Chairman of Premier Gold Mines Limited until May of 2010. He has been the President of Tormin Resources Limited, a private mining company since May 1995, and is a graduate of Sheffield University in mining engineering.	Director	N/A	Nil
Anne B. Chopra Vancouver British Columbia Canada	Director of the Corporation (2010 to present); Corporate counsel and Manager of Business and International Affairs with Potash One Inc. (Nov. 2007 to present); President, Director, CEO, CFO and Secretary of Harvest One Capital (August 2008 to present)	Director	December 2009	266,666 (0.52%)

Each director of the Resulting Issuer will serve until the next annual meeting of shareholders or until that director's successor has been elected or appointed.

The directors and officers of the Resulting Issuer as a group will own, directly or indirectly, or exercise control or direction over, 266,666 Resulting Issuer Shares (representing 0.52% of all of the issued and outstanding Resulting Issuer Shares assuming completion of the Offering).

Upon completion of the Qualifying Transaction, the audit committee of the board of directors of the Resulting Issuer is expected to be comprised of Stephen Coates, John Cook and Anne B. Chopra. The compensation committee of the Resulting Issuer is expected to be comprised of Robert Boaz, John Cook and Anne B. Chopra.

Upon completion of the Qualifying Transaction, the head office of the Resulting Issuer will be in Toronto, Ontario.

Management and Directors

The following are short biographies of the persons who are intended to be the directors, officers and senior management of the Resulting Issuer after the completion of the Qualifying Transaction:

Following completion of the Qualifying Transaction, all of the current directors of Ansue will resign, except for Ms. Anne B. Chopra, who will remain on the board of directors of the Resulting Issuer. All directors of the Resulting Issuer will hold office until the next annual general meeting of the Resulting Issuer unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer. Unless otherwise indicated below, all businesses mentioned below in the biographies are currently active.

Nick Tintor, 55 – President, Chief Executive Officer and Director. Mr. Tintor also serves as Chief Executive Officer and President of Southern Andes Energy Inc. Mr. Tintor has more than 28 years of experience in the mining industry, having been involved in all facets of mining company management, finance and project acquisition. He serves as a Director of Cerro Resources and has been a Director of DNI Metals Inc. (Dumont Nickel Inc.) since July 28, 2009. He served as a Director of Macusani Yellowcake, Inc. from October 2008 to April 2011 and is also Managing Director of RG Mining Investments Inc., a private mineral project generation and services company. Mr. Tintor is a Member of The Canadian Institute of Mining and Metallurgy (CIMM), the Prospectors and Developers Association of Canada and the Ontario Prospectors Association, the Society of Economic Geologists, the Geological Association of Canada and is a Member of the University of Toronto's Department of Geology Industry Steering Committee. Mr. Tintor holds a Bachelor of Science in Geology from the University of Toronto. Mr. Tintor will devote approximately 50% of his time with the Resulting Issuer.

Stephen Gledhill, CMA, 50 – Chief Financial Officer. Mr. Gledhill is a Certified Management Accountant (CMA) and is the Managing Director and Chief Financial Officer of RG Mining Investments Inc., a private mineral project generation and services company. He is also president of Keshill Consulting Associates Inc. and is a graduate of Waterloo University (B.Math). Mr. Gledhill has over 25 years of financial-control experience and acts as CFO for several publically-traded mining and exploration and health-services companies. Prior to the inception of RG Mining Investments Inc., Mr. Gledhill served as the Senior Vice President and CFO of Borealis Capital Corporation, a Toronto-based merchant bank. Mr. Gledhill will devote approximately 50% of his time with the Resulting Issuer.

Leslie Haddow, 48 – Corporate Secretary. Mrs. Haddow has acted as Corporate Secretary of Southern Andes Energy since May 2010, and Corporate Secretary of Firebird Resources since May 2011. From September 2008 to March 2011, Leslie Haddow acted as Corporate Secretary of Homeland Uranium Inc. From 2005 to 2007 she acted as Corporate Secretary of Cornerstone Capital Partners LLP. From 2002 to 2005 Leslie Haddow acted as Corporate Secretary of Avotus Corporation (TSXV: AVS). From 1996 to 2002 she acted as Assistant Corporate Secretary of Canadian Real Estate Investment Trust (CREIT) (TSX: REF.UN). Leslie Haddow brings more than 15 years of experience in the corporate secretarial role and has been involved in many industries, including mining/mineral exploration, real estate, and corporate finance. Ms. Haddow will devote approximately 25% of her time with the Resulting Issuer.

Robert Boaz, 59 – Director. Mr. Robert G. Boaz M. Economics, Hon. BA has been the Chief Executive Officer and President of Aura Silver Resources Inc. since April 2, 2008. Mr. Boaz served as Managing Director of Investment Banking of Raymond James Ltd. from November 2004 to March 2006. At Raymond James Ltd., he was responsible for the financing of (and mergers and acquisitions for) mining, real estate, and special situations companies. From 2000 to 2004, he served as Vice President and Head of Research and In-house Portfolio Strategist at Dundee Securities Corporation. He served as an Equity Analyst of Dundee Securities Corporation, Research Division. He has over 18 years in the investment business after a distinguished career in the power and natural gas industry working in management positions for Ontario Hydro, Saskatchewan Power and Consumers Gas. Mr. Boaz held Senior management positions in a number of firms in the investment industry, including HSBC Canada Inc., BZW Canada Inc. and Midland Doherty Inc., with direct responsibilities related to research, portfolio management, institutional sales and investment banking. He has been an Independent Chairman of Southern Andes Energy Inc. since February 1, 2007. He has been the Chairman of Homeland Uranium Inc. since May 2010. Mr. Boaz served as the Chairman of Solex Resources Corp. since February 1, 2007. He has been a Director of Southern Andes since March 24, 2006. He has been a Director of Aura Silver Resources Inc. since September 2006 and of Dundee Wealth Management Inc. since August 2003. He has been an Independent Director of AuEx Ventures Inc. since January 8, 2007. He serves as a Director of MultiFlora Commodities Ltd. and Andor Mining Inc. He has been a Director of Renaissance Gold Inc.

since September, 2010 and he also served as Vice President of the Canadian Chapter of the International Energy Economics Association. He served as an Independent Director of AuEx Ventures Inc. since January 8, 2007 until September, 2010. He served as a Director of Dundee Securities Inc. from August 2000 to November 2004. He served as a Director of Ur-Energy Inc. from March 2006 to May 2010. Mr. Boaz holds a masters degree in Economics, York University and an honours B.A degree in Economics from McMaster University. Mr. Boaz will devote approximately 10% of his time to the Resulting Issuer.

Stephen Coates, 39 – Director. Mr. Coates is a Principal of Grove Capital Group since October 2009. He was President and Chief Executive Officer of Homeland Energy Group Ltd (“HEG”) a position he held from December 2004 to October 2009. Mr. Coates is the Chairman of Homeland Uranium Inc., an unlisted reporting issuer and also served in Communications with the Government of Ontario, including as Special Assistant to Premier Mike Harris from June 1999 to May 2001. Mr. Coates graduated with a Bachelor of Arts degree in Political Science from the University of Western Ontario. Mr. Coates will devote approximately 10% of his time to the Resulting Issuer.

John Cook, 71 – Director. John Cook has more than 45 years of professional experience in all facets of mining development, operations and management. He is President and CEO of San Anton Resource Corp. and a director of Southern Andes, Uranium City Resources Inc. and MBMI Resources Inc., all TSXV listed companies. He is also a director of Homeland Uranium Inc., an unlisted reporting issuer. John Cook was Chairman of Wolfden Resources Inc. until its purchase by Zinifex Limited in June, 2007. He has been the President of Tormin Resources Limited, a private mining company since May 1995, and is a graduate of Sheffield University in mining engineering. Mr. Cook will devote approximately 10% of his time to the Resulting Issuer.

Anne B. Chopra, 49 – Director. Ms. Chopra has been engaged with Potash One Inc., a TSX listed resource issuer, as the Corporate Counsel and Manager of Business and International Affairs since November, 2007. Since December 1996, Ms. Chopra has been practicing in the areas of Corporate, Commercial and Securities Law. In addition and since August 2008, Ms. Chopra is the President, Director, CEO, CFO and Secretary to Harvest One Capital Inc., a TSXV Capital Pool Company. Ms. Chopra obtained her Bachelors of Commerce from the University of Alberta in 1983 and a Masters of Industrial Relations from Queen’s University in 1984. In 1992, she was admitted to the Law Society of Alberta and in 1997 was admitted to the Law Society of British Columbia. Ms. Chopra has completed the Public Company’s Directors’ Courses entitled Going Public and Continuous Disclosure at Simon Fraser University. Between May 1995 and November 1996, Ms. Chopra acted as Secretary of Southview Capital Corporation (predecessor to Easter Platinum Ltd. TSX: ELR). Subsequently, Ms. Chopra was the Assistant Secretary of EPICentrix Technologies, Inc. (December, 2000 to September, 2004); the Corporate Secretary of Omnitech Capital Corporation (July, 2000 to December, 2002); as well as a director of Gotham Capital Corporation (December, 2000 to November, 2004). In addition to the above professional experience, Ms. Chopra has acted as the Equity Ombudsperson for the Law Society of British Columbia since May, 1999 and has been a Lecturer in business at the University of Alberta, the British Columbia Institute of Technology and at Ryerson Polytechnic Institute. Ms. Chopra will devote approximately 10% of her time to the Resulting Issuer.

Promoters

The following persons or companies are promoters of Ansue, Caracara or the Resulting Issuer:

1. Suzanne Wood;
2. Anne B. Chopra; and
3. Dale Peterson.

Set out below is (a) the name of each promoter of Ansue, Caracara or the Resulting Issuer, (b) the number of Resulting Issuer Shares to be beneficially owned, directly or indirectly, or over which control or direction is to be exercised by each promoter, and (c) the percentage ownership interest in Resulting Issuer Shares on a non-diluted and fully diluted basis.

Name	Resulting Issuer Shares	% Ownership of Resulting Issuer Shares Following Completion of the Qualifying Transaction and the Offering
Suzanne Wood	266,666	0.52%
Anne B. Chopra	266,666	0.52%
Dale Peterson	133,333	0.26%

Cease Trade Orders or Bankruptcies

Other than as set out below, no director, officer or promoter of the Resulting Issuer, and no securityholder expected to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has, within the last ten years prior to the date hereof, (i) been a director, officer or promoter of any company that, while such person was acting in that capacity was the subject of a cease trade or similar order or an order that denied it access to any statutory exemption for a period of more than 30 consecutive days, (ii) been a director, officer or promoter of any company that, while such person was acting in that capacity within one year of acting in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Nick Tintor and John Cook have both been directors of issuers that had cease trade orders issued against them.

While Ms. Chopra was an officer of EPIcentrix Technologies Inc. (“**EPI**”), a TSX Venture Exchange company, a cease trade order was issued on September 11, 2003 and October 23, 2003 by the BC Securities Commission and the Alberta Securities Commission, respectively, for EPI’s failure to file its annual and interim financial statements. The filings were subsequently made, deficiencies rectified and EPI resumed trading on June 22, 2004.

Nick Tintor was an officer and director of New Inca Gold Limited which was subject to a cease trade order from February 2002 to January 2004 for failure to file financial statements.

Mr. Cook was, at the relevant time, and continues to be, a director of Mistango River Resources Inc. (formerly GLR Resources Inc.) (“**MRO**”) which was and continues to be subject to cease trade orders issued by the Ontario Securities Commission and the British Columbia Securities Commission, on April 14, 2009, the Autorité des marchés financiers du Québec on April 15, 2009, and the Alberta Securities Commission on November 13, 2009. Such orders against MRO were issued as a result of MRO’s failure to file certain continuous disclosure materials including the audited annual financial statements, management’s discussion and analysis, CEO and CFO certificates and its annual information form for the year ended December 31, 2008, which was caused by financial difficulties experienced by MRO as a result of its inability to raise funds given 2008 market conditions. Effective March 22, 2010, MRO has filed all outstanding continuous disclosure materials required to be filed under applicable securities laws.

On June 5, 2009, MRO filed a proposal (the “**Proposal**”) under the Bankruptcy and Insolvency Act (Canada). Some minor amendments were made to the Proposal which were filed on July 20, 2009. The sale of certain of GLR’s assets under the Proposal was completed on August 20, 2009. Effective on the close of trading on January 7, 2009, MRO’s common shares were delisted from the Toronto Stock Exchange (the “**TSX**”) for failure to meet certain continued listing requirements of the TSX.

Mr. Cook has served as a director of MBMI Resources Inc. (“**MBMI**”) since March 31, 2003. On September 21, 2007, the Executive Director of the British Columbia Securities Commission made an order (the “**MBMI Cease Trade Order**”) that all trading in the securities of MBMI cease until: (i) MBMI filed

a current, independent technical report under National Instrument 43-101 on its properties in the Philippines; and (ii) the Executive Director revoked the MBMI Cease Trade Order. On October 5, 2007, MBMI issued and filed a press release retracting and restating scientific and technical disclosure that it made about its Alpha and other mineral properties. On November 8, 2007, MBMI filed an amended technical report on its Alpha mineral property. The Executive Director of the British Columbia Securities Commission revoked the MBMI Cease Trade Order on November 8, 2007.

Penalties and Sanctions

No director, officer or shareholder holding a sufficient number of securities of Ansue or Caracara to affect materially the control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

In the 10 years prior to the date hereof, none of the proposed directors, officers or promoters of the Resulting Issuer or any security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflicts Of Interest

Certain directors and officers of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer.

Other Reporting Issuers

The following table sets out information for the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the five years prior to the date hereof, directors, officers or promoters of other reporting issuers. In the following table, "TSX" means Toronto Stock Exchange, "TSXV" means the TSXV, "NYSE" means the New York Stock Exchange, "AMEX" means the American Stock Exchange, "OTCBB" means the OTC Bulletin Board and "AIM" means the Alternative Investment Market.

<u>Name</u>	<u>Name and Jurisdiction of Reporting Issuer</u>	<u>Name of Trading Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
Nick Tintor	Southern Andes Energy Inc., Canada	TSXV	President, CEO and Director	May 2010	Present
	Homeland Uranium Inc., Ontario	Reporting, Not Listed	President, CEO and Director	Jan. 2007	Mar. 2011

<u>Name</u>	<u>Name and Jurisdiction of Reporting Issuer</u>	<u>Name of Trading Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
	Anaconda Gold Corp., Ontario	TSXV	President, CEO and Director	Jan. 2002	Jan. 2008
	DNI Metals, Quebec	TSXV	Director	Jul. 2009	Present
	Andina Minerals, Alberta	TSXV	Director	Dec. 2003	Jun. 2007
	Merc International, Ontario	TSXV	Director	Sept. 2006	Mar. 2007
	Macusani Yellowcake, Ontario	TSXV	Director	Oct. 2008	Apr. 2011
	Cerro Resources NL, Australia	TSX	Director	Sept. 2010	Present
Stephen Gledhill	Firebird Resources Inc., British Columbia	TSXV	CFO	Mar. 2011	Present
	Gemoscan Canada Inc., Ontario	CNSX	CFO	Jun. 2010	Present
	Anaconda Mining Inc., Ontario	TSX	CFO	Jan. 2007	Present
	San Anton Resources Corporation, Canada	TSX	CFO	May 2008	Oct. 2010
	Strategic Resources Inc., Ontario	TSXV	CFO and Corporate Secretary	July 2005	Present
	Canadian Orebodies Inc., Ontario	TSXV	CFO and Corporate Secretary	May 2005	Jul. 2010
	Red Rock Energy Inc., Alberta	TSXV	Senior Officer of a 10% Security Holder	Jun. 2009	Nov. 2010
Leslie Haddow	Southern Andes Energy Inc., Canada	TSXV	Corporate Secretary	May 2010	Present
	Firebird Resources Inc., British Columbia	TSXV	Corporate Secretary	Mar. 2011	Present
	Homeland Uranium Inc., Ontario	Reporting, Not Listed	Corporate Secretary	Nov. 2008	March 2011
	Avotus Corporation, Ontario	TSXV	Corporate Secretary	Oct. 2002	Sept. 2005
Robert Boaz	Aura Silver Resources, Ontario	TSXV	President, CEO and Director	Sept. 2006	Present
	Ur-Energy Inc., Ontario	TSXV	Director	Mar. 2006	May 2010
	AuEx Ventures, Ontario	TSXV	Director	Jan. 2007	Nov. 2010
	Southern Andes Energy Inc., Canada	TSXV	Director	Oct. 2006	Present
	Renaissance Gold Inc., British Columbia	TSXV	Director	Nov. 2010	Present

<u>Name</u>	<u>Name and Jurisdiction of Reporting Issuer</u>	<u>Name of Trading Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
Stephen Coates	Homeland Energy Group, Ontario	TSXV	President, CEO and Director	Dec. 2004	Oct. 2009
	Homeland Uranium Inc., Ontario	Reporting, Not Listed	Director	Jan. 2007	Present
John Cook	T.B. Mining Ventures, Ontario	TSXV	Director	Jun. 2010	Present
	Rolling Rock Resources, British Columbia	TSXV	Director	Jul. 2006	May 2007
	Nord Resources, Delaware	OTC	Director	Dec. 2007	Present
	MBMI Resources Inc., British Columbia	TSXV	Director	Mar. 2003	Present
	Southern Andes Energy Inc., Canada	TSXV	Director	May 2010	Present
	Firebird Resources Inc., British Columbia	TSXV	President	Mar. 2011	Present
	First Leaside Properties Fund, Ontario	N/A	Director	Mar. 2009	Present
	PC Gold Inc., Ontario	TSX	Director	May 2008	Sept. 2009
	Strategic Resources Inc., Ontario	TSXV	Director	July 2005	Present
	Cerro Resources NL, Australia	TSX	Director	Sept. 2010	Present
	Mistango River Resources Inc., Canada	N/A	Director	June 2003	Jan. 2011
	Premier Gold Mines Limited, Ontario	TSX	Director	Aug. 2006	Jun. 2010
	Homeland Uranium Inc., Ontario	N/A	Director	Feb. 2008	Present
	Anaconda Mining Inc., Ontario	TSX	Director	Jun. 2003	Nov. 2009
	San Anton Resources Corporation, Canada	TSX	President, Director	Apr. 2008	Sept. 2009
	Wolfden Resources Inc., Ontario	N/A	Director	June 2003	May 2007
Red Rock Energy Inc., Alberta	TSXV	Director	June 2009	Present	
Anne B. Chopra	Harvest One Capital Inc.	TSXV	President, CFO, CEO and Director	Aug. 2008	Present

Resulting Issuer Executive Compensation

Set out below is a statement of the expected executive compensation with respect to the Resulting Issuer for the 12 month period following completion of the Qualifying Transaction prepared as presented in Form 51-102F6 of Multilateral Instrument 51-102.

Summary Compensation Table

For the purpose of this statement, there are three individuals who are expected to be executive officers of the Resulting Issuer following the Qualifying Transaction (the “**Named Executive Officers**”), namely Nick Tintor, Stephen Gledhill and Leslie Haddow.

The following table sets out the anticipated executive compensation for the 12 month period following completion of the Qualifying Transaction for the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Resulting Issuer.

Name and Principal Position	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
	Salary and Commissions (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
				Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	Long Term Incentive Payouts (\$)	
Nick Tintor President and Chief Executive Officer	See Note 1	See Note 1	Nil	Nil	Nil	Nil	Nil
Stephen Gledhill Chief Financial Officer	See Note 1	See Note 1	Nil	Nil	Nil	Nil	Nil
Leslie Haddow Corporate Secretary	See Note 1	See Note 1	Nil	Nil	Nil	Nil	Nil

Note:

(1) Amount to be determined by the board of directors of the Resulting Issuer.

Stock Options

The Resulting Issuer has no immediate plans to issue Options under the Stock Option Plan.

Pension and Retirement Plans and Payments made upon Termination of Employment

It is not expected that the Resulting Issuer will have in place any pension or retirement plan in the near future. It is expected that the Resulting Issuer, upon completion of the Qualifying Transaction, will provide the equivalent of one year’s base salary in the event of termination of an executive officer of the Resulting Issuer.

Management Contracts

The Resulting Issuer will enter into management agreements with certain executive officers of the Resulting Issuer post completion of the Qualifying Transaction.

Compensation of Directors

The compensation of directors will be determined by the compensation committee when formed.

Indebtedness of the Resulting Issuer’s Directors and Officers

No director, executive officer or other senior officer of Ansue or Caracara or person who acted in such capacity in the last financial year of Ansue or Caracara, or proposed director or officer of the Resulting

Issuer, or any Associate of any such director or officer is, or has been, at any time since the beginning of the most recently completed financial year of Ansue or Caracara, indebted to Ansue or Caracara nor is, or at any time since the incorporation of Ansue or Caracara has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Ansue or Caracara.

Investor Relations Arrangements

Ansue has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer and no such arrangements are contemplated for the Resulting Issuer.

Options to Purchase Securities

Options to Purchase Resulting Issuer Shares

The Stock Option Plan is proposed to be adopted as the option plan of the Resulting Issuer. See “Part 5 – Information Concerning Ansue – Stock Option Plan”.

There are not expected to be any options granted under the Stock Option Plan upon completion of the Qualifying Transaction. The terms of the Ansue Options are set out in the certificates evidencing the Ansue Options. Upon completion of the Qualifying Transaction, the Ansue Options will be exercisable for Resulting Issuer Shares. The following table shows the particulars of the Ansue Options expected to be outstanding upon completion of the Qualifying Transaction:

			Market Value of the Shares Under Option at	
Expiry	Exercise Price	Number Under Option	March 31, 2011	Date of Grant
June 2, 2015	\$0.30	133,332	\$0.20	\$0.10

The following is a description of the expected Ansue Options outstanding to acquire Resulting Issuer Shares upon completion of the Qualifying Transaction, by category of option holder:

Category of Option Holder	Shares Under Option
Officers of the Resulting Issuer	Nil
Directors of the Resulting Issuer (1 directors) ⁽¹⁾	33,333
All other employees (not including the officers and directors above)	Nil
Consultants	Nil
All other persons or companies	100,000

Notes:

(1) Anne B. Chopra, a director of the Resulting Issuer will hold 33,333 Ansue Stock Options.

Agent’s Warrants to Acquire Resulting Issuer Shares

The following table shows the particulars of the Resulting Issuer Agent’s Warrants expected to be outstanding to acquire Resulting Issuer Shares upon completion of the Qualifying Transaction:

Class of Securities	Expiry	Exercise Price	Following Completion of the Qualifying Transaction and the Offering
Resulting Issuer Agent's Warrants	24 months from date of closing of the Qualifying Transaction	0.45	854,550

Note:

- (1) To be issued to the Agents and members of a selling group appointed by the Agents in connection with the Offering.

Escrowed Securities

Upon completion of the Qualifying Transaction, 33,999,998 Resulting Issuer Shares will be subject to escrow or hold periods pursuant to the policies of the Exchange: (i) 666,665 post-Acquisition CPC Escrow Shares; and (ii) 33,333,333 Resulting Issuer Shares placed into escrow or subject to hold periods pursuant to the policies of the Exchange. The CPC Escrow Shares are subject to an escrow pursuant to the CPC Escrow Agreement that continues as part of the IPO of Ansue.

CPC Escrow Shares

A total of 2,000,000 Ansue Shares are currently held in escrow with the Escrow and Transfer Agent under the CPC Escrow Agreement.

The following table sets out, as of the Filing Statement Date and to the knowledge of Ansue and Caracara, the name and municipality of residence of the security holders whose Resulting Issuer Shares will be CPC Escrow Shares:

		Prior to giving effect to the Acquisition and the Offering		After giving effect to the Acquisition and the Offering	
Name and municipality of residence of shareholder	Designation of Class	Number held in escrow	Percentage of class	Number held in escrow⁽¹⁾	Percentage of class subsequent of the Offering
Suzanne Wood British Columbia, Canada	Common Shares	800,000	19.70%	266,666	0.52%
Anne B. Chopra British Columbia, Canada	Common Shares	800,000	19.70%	266,666	0.52%
Dale Peterson	Common Shares	400,000	9.85%	133,333	0.26%
Total	Common	2,000,000		666,665	

Note:

- (1) Post-Consolidation.

Escrow Shares of the Resulting Issuer – Principals' Securities

Upon completion of the Qualifying Transaction, to the knowledge of Ansue and Caracara, as of the Filing Statement Date, 33,333,333 Resulting Issuer Shares (the "**Resulting Issuer Escrowed Principals Securities**") held by the Principal of the Resulting Issuer will be subject to value escrow. The Resulting Issuer Escrowed Principals Securities held by the Principal of the Resulting Issuer will be subject to the applicable escrow under an escrow agreement (the "**Resulting Issuer Principal Escrow Agreement**")

among the Resulting Issuer, Computershare Trust Company of Canada (the escrow agent) and the escrowed parties. The following table lists the name of the owners of the securities that are or will be subject to escrow under the Resulting Issuer Principal Escrow Agreement and the number of securities held after giving effect to the Acquisition:

		Prior to giving effect to the Acquisition and the Offering		After giving effect to the Acquisition and the Offering	
Name and municipality of residence of shareholder	Designation of Class	Number held in escrow	Percentage of class	Number held in escrow	Percentage of class assuming completion of the Offering
Southern Andes Energy Inc.	Common Options	Nil	Nil	33,333,333	65.56%

The Resulting Issuer Escrowed Shares will be released as follows:

Value Escrow Securities Release Schedule Assuming Listing on the Exchange as a Tier 1 Issuer	
Release Dates	Percentage of Total Escrowed Securities to be Released
Date of Final Exchange Bulletin approving the Acquisition	25%
6 months following Final Approval	25%
12 months following Final Approval	25%
18 months following Final Approval	25%
TOTAL	<u>100%</u>

The Resulting Issuer Escrowed Shares may not be sold, assigned, transferred, redeemed, surrendered or otherwise dealt with in any manner except as provided for by the Resulting Issuer Escrow Agreement, subject to receiving Exchange approval. Securities may be transferred within escrow to an individual who is a director or senior officer of the Resulting Issuer or a material operating subsidiary of the Resulting Issuer, provided that the approval of the Exchange is obtained and certain requirements of the Exchange are met, including that the transferee agrees to be bound by the terms of the agreement. Escrowed shares may be transferred within escrow to a registered retirement savings plan (“RRSP”) or a registered retirement income fund (“RRIF”) provided that the Exchange receives proper notice of the same, the beneficiaries of the RRSP or RRIF are limited to the security holder and the spouse, children and parents of such holder, and the trustee of the RRSP or RRIF agrees to be bound by the terms of the Resulting Issuer Escrow Agreement. In the event of the death of a security holder, the shares held in escrow shall be released to the legal representatives of the deceased security holder subject to compliance with the procedural requirements in the Resulting Issuer Escrow Agreement.

Escrowed shareholders who are not individuals will provide undertakings to the Exchange that they will not issue securities of their own issue or effect or permit a transfer of ownership of securities of their own issue that would have the effect of changing the beneficial ownership of, or control or direction over, the escrowed shares.

Auditors, Escrow and Transfer Agent and Registrar

Upon completion of the Qualifying Transaction, the transfer agent and registrar for the Resulting Issuer Shares will continue to be Computershare Trust Company of Canada.

PART 8 GENERAL MATTERS

Board Approval

The contents and submission of this Filing Statement have been approved by the Ansue board of directors and the Caracara board of directors. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Ansue, Ansue relied upon information furnished by such person. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Caracara, Caracara has relied upon information furnished by such person.

AUDITORS' CONSENT

We have read the Filing Statement of Ansue Capital Corp. dated July 29, 2011 relating to the qualifying transaction involving the acquisition of Caracara Silver Inc. and Solex del Peru S.A.C., both wholly-owned subsidiaries of Southern Andes Energy Inc., as well as certain silver assets of Southern Andes Energy Inc. by Ansue Capital Corp. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned Filing Statement of our report to the directors of Southern Andes Energy Inc. – Silver Operations (the "Entity") on the carve-out combined balance sheets of the Entity as at June 30, 2010, 2009 and 2008 and the carve-out combined statements of operations and deficit and cash flows for the years then ended. Our report thereon is dated July 21, 2011.

Vancouver, Canada

July 29, 2011

Smythe Ratcliffe LLP

Chartered Accountants

CHANG LEE LLP

Chartered Accountants

*2300 – 1055 Dunsmuir Street
Vancouver, B.C, V7X 1J1
Tel: 604-687-3776
Fax: 604-688-3373
E-mail: info@changlellp.com*

AUDITORS' CONSENT

We have read the Filing Statement of Ansue Capital Corp. (the "Company") dated July 29, 2011 in connection with the qualifying transaction involving the acquisition of Caracara Silver Inc., a wholly-owned subsidiary of Southern Andes Energy Inc. by Ansue Capital Corp. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned Filing Statement of our report to the shareholders of the Company on the balance sheet of the Company as at January 31, 2011 and 2010 and the statements of operations and comprehensive loss, deficit and cash flows for the year ended January 31, 2011 and for the period from December 3, 2009 (date of inception) to January 31, 2010. Our report is dated March 31, 2011.

Vancouver, Canada
July 29, 2011

CHANG LEE LLP
Chartered Accountants

SCHEDULE "A"
FINANCIAL STATEMENTS OF ANSUE CAPITAL CORP.

ANSUE CAPITAL CORP.

FINANCIAL STATEMENTS

JANUARY 31, 2011 and 2010

Chang Lee LLP

Chartered Accountants

606 – 815 Hornby Street
Vancouver, B.C, V6Z 2E6
Tel: 604-687-3776
Fax: 604-688-3373
E-mail: info@changlellp.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Ansue Capital Corp.

We have audited the accompanying financial statements of Ansue Capital Corp. (the "Company"), which comprise the balance sheets as at January 31, 2011 and 2010, the statements of operations, comprehensive loss and deficit, and cash flows for the year ended January 31, 2011 and for the period from December 3, 2009 (inception) to January 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2011 and 2010 and its results of operations and its cash flows for the year ended January 31, 2011 and for the period from December 3, 2009 (inception) to January 31, 2010 in accordance with Canadian generally accepted accounting principles.

Vancouver, BC, Canada
March 31, 2011

CHANG LEE LLP
Chartered Accountants

ANSUE CAPITAL CORP.
(A Capital Pool Company)
BALANCE SHEETS

As at	January 31, 2011	January 31, 2010
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 21,780	\$ 2,312
Sales tax receivable	236	1,200
Short-term investment (Note 3)	176,204	70,000
	198,220	73,512
DEFERRED FINANCE CHARGES	-	24,500
TOTAL ASSETS	\$ 198,220	\$ 98,012

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 471	\$ -

SHAREHOLDERS' EQUITY

Share Capital (Note 4)	219,941	100,000
Contributed Surplus (Note 5)	37,820	-
Deficit	(60,012)	(1,988)
	197,749	98,012
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 198,220	\$ 98,012

Approved on behalf of the Board:

"Suzanne Wood"
Director

"Dale Peterson"
Director

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

ANSUE CAPITAL CORP.
(A Capital Pool Company)
STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

	For the Year Ended January 31, 2011	December 3, 2009 (inception) to January 31, 2010
OPERATING EXPENSES		
Business evaluation costs	\$ 15,440	\$ -
General office expenses	1,925	599
Professional fees	4,557	749
Shareholder communication	175	-
Stock-based compensation	29,855	-
Transfer agent and filing fees	7,506	640
	59,458	1,988
 OTHER INCOME		
Interest Income	1,434	-
	(58,024)	(1,988)
NET (LOSS) AND COMPREHENSIVE (LOSS) FOR THE PERIOD		
 RETAINED EARNINGS (DEFICIT), Beginning of Period	(1,988)	-
RETAINED EARNINGS (DEFICIT), End of Period	\$ (60,012)	\$ (1,988)
 LOSS PER SHARE, Basic And Diluted	\$ (0.02)	\$ (0.00)
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted	3,467,233	466,667

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

ANSUE CAPITAL CORP.
(A Capital Pool Company)
STATEMENTS OF CASH FLOWS

	For the Year Ended January 31, 2011	December 3, 2009 (inception) to January 31, 2010
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net (Loss) for the period	\$ (58,024)	\$ (1,988)
Adjustments for items not involving cash:		
Stock-based compensation	29,855	-
Accrued interest income	(1,204)	-
Changes in non-cash working capital items:		
Sales tax receivable	964	(1,200)
Accounts payable and accrued liabilities	471	-
	(27,938)	(3,188)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Deferred finance charges	24,500	(24,500)
Issuance of common shares	206,000	100,000
Share issuance costs	(78,094)	-
	152,406	75,500
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Short-term investment	(105,000)	(70,000)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	19,468	2,312
Cash and Cash Equivalents, beginning of period	2,312	-
Cash and Cash Equivalents, end of period	\$ 21,780	\$ 2,312
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

1. NATURE OF OPERATIONS

The Company was incorporated under the Business Corporations Act of British Columbia on December 3, 2009. The Company is a capital pool company as defined by the rules of the TSX Venture Exchange ("Exchange") in Policy 2.4 of the Exchange.

As of January 31, 2011, the Company had no business or material assets, other than cash and cash equivalents, receivable and short term investment. The Company proposes to identify and evaluate potential acquisitions or businesses and once identified and evaluated, to negotiate an acquisition or participation in a Qualifying Transaction as defined under the TSX Venture Exchange Policy 2.4. The Qualifying Transaction will be subject to shareholder and regulatory approval.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts different from those in the accompanying financial statements.

The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Further, there is no assurance that businesses acquired will be profitable.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. As at January 31, 2011 and 2010, the Company's cash and cash equivalents consist of cash only.

b) Deferred Share Issuance Costs

In accordance with Emerging Issues Committee 94, the Company defers direct and incremental costs incurred in connection with the issuance of share capital pursuant to its Initial Public Offering as a non-current asset and charges the costs against share capital when the Initial Public Offering is completed or to operations when the Initial Public Offering is abandoned. In May 2010, the Company completed its initial public offering and all deferred finance charges have now been charged to share capital.

c) Use of Estimates

In preparing the Company's financial statements in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results may differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Income / Loss Per Share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of options, warrants and convertible securities and that the assumed proceeds from the exercise of options, warrants and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

e) Financial Instruments - recognition and measurement

The Company has made the following classifications:

Cash and cash equivalents and short-term investment are classified as financial assets held for trading and measured at fair value. Gains and losses related to periodical evaluations are recorded in net income.

Accounts payable and accrued liabilities is classified as other financial liabilities and is initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company has included disclosures recommended by the new Handbook sections in Note 7 to these financial statements.

f) Comprehensive Income

Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which generally accepted accounting principles requires be recognized in a period, but excluded from net income for that period. The Company has no other comprehensive income during the periods ended January 31, 2011 and 2010.

g) Future income taxes

Income taxes are accounted for using the future income tax method. Under this method, income taxes are recognized for the estimated income taxes payable for the current year and future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are more likely than not to be realized. Future income tax assets and liabilities are measured using tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

Due to the uncertainty regarding the Company's future profitability, the future tax benefits of its losses have been fully reserved for and no net tax benefit has been recorded in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Stock-based compensation

In accordance with *CICA Handbook Section 3870* (“Section 3870”), *Stock-Based Compensation and Other Stock-Based Payments*, the Company recognizes stock-based compensation expense for the estimated fair value of equity-based instruments granted to both employees and non-employees. Compensation expense is recognized when the options are granted with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect in the Company’s cash position.

i) Future accounting policies

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Future accounting policies (continued)

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements". Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations". This new section will only have an impact on the Company's financial statement for future acquisitions upon completion of its Qualifying Transaction.

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

3. SHORT-TERM INVESTMENT

As at January 31, 2011 and 2010, short-term investment was made for a period less than 12 months depending on the immediate cash requirements of the Company and can earn interest after 30 days at the rate of Bank of Montreal's prime rate less 1.85 % per year.

ANSUE CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
January 31, 2011 and 2010

4. SHARE CAPITAL

(a) Authorized: Unlimited number of common shares without par value.

(b) Issued:

	Number of Shares	Amount
Balance, beginning of period	-	\$ -
Issued during the period ended January 31, 2010		
- Private placement at \$0.05 per share	2,000,000	\$ 100,000
Balance, January 31, 2010	2,000,000	\$100,000
Issued during the year ended January 31, 2011		
- Initial public offering at \$0.10 per share	2,000,000	\$200,000
Less: share issuance costs	-	(89,473)
- Exercise of Agent's Options, August 2010	60,000	6,000
- Contributed surplus reclassified as the result of exercise of agent's options	-	3,414
Balance, January 31, 2011	4,060,000	\$ 219,941

On January 18, 2010, the Company issued an aggregate of 2,000,000 common shares at a price of \$0.05 per common share to directors of the Company for total proceeds of \$100,000.

On May 14, 2010, the Company completed its initial public offering in British Columbia and Alberta by issuing 2,000,000 common shares at a purchase price of \$0.10 per share for gross proceeds to the Company of \$200,000. Mackie Research Capital Corporation acted as agent in respect of the offering and received a cash commission of \$20,000, an administration fee of \$10,000 and an option to acquire an aggregate of 200,000 common shares for a period of two years from the date of the listing of the common shares of the Company on the TSX Venture Exchange at an exercise price of \$0.10 per common share.

On August 25, 2010, 60,000 agent's options were exercised for gross proceeds to the Company of \$6,000, leaving a balance of 140,000 agent's options outstanding. During the year ended January 31, 2011, the Company recognized \$11,379 of the fair value of agent's options to share issuance costs (Note 4(e)).

4. SHARE CAPITAL (continued)

(c) Escrowed shares:

On January 18, 2010, the Company issued 2,000,000 common shares at \$0.05 per share to its directors and officers for cash proceeds of \$100,000. These shares are subject to an escrow agreement, are held by the Company's escrow agent, and are to be released in accordance with the TSX Venture Exchange CPC policy guidelines. According to Exchange policies, all seed shares issued at a price lower than the price of the Initial Public Offering (IPO) shares and all securities acquired by non-arm's length parties to the Company, and all securities acquired by a Control Person are held in escrow and will be released over a period of three years from the acceptance of the Company's Qualifying Transaction.

All common shares acquired on exercise of stock options, granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued.

(d) Stock Options:

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

Stock option transactions and the number of stock options outstanding as at January 31, 2011 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Opening balance, January 31, 2010	-	-
Granted	400,000	\$ 0.10
Exercisable, January 31, 2011	400,000	\$ 0.10

For the period ended January 31, 2010, the Company did not have any stock options outstanding.

The Company recognizes stock-based compensation expense for the estimated fair value of stock options granted to both employees and non-employees. Accordingly, compensation costs are measured at the fair value at the grant date, and recognized over the expected vesting period.

4. SHARE CAPITAL (continued)

(d) Stock Options: (continued)

The fair market value of stock options granted was estimated at \$0.08 per stock option by using Black-Scholes fair value option-pricing model and the following assumptions were used:

	<u>January 31, 2011</u>
Risk-free interest rate	2.68%
Expected life of stock options	5 years
Annualized volatility	98%
Dividend rate	<u>0.00%</u>

The Black-Scholes valuation model was developed for use in estimating the fair value of traded options which are fully transferable and freely traded. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options. Stock-based compensation calculations have no effect on the Company's cash position.

(e) Agent Options:

Pursuant to its initial public offering, the Company granted the agent an option to purchase an aggregate of 200,000 common shares for a period of 24 months from the date of the grant. The agent's options have an exercise price of \$0.10 per share, vested immediately and expire May 21, 2012. On August 25, 2010 the agent exercised 60,000 stock options for proceeds to the Company of \$6,000.

During the year ended January 31, 2011, the Company fully recognized \$11,379 fair value of these options as share issuance costs.

The fair value of the options granted to the agent was estimated at the date of granting using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 1.80%, dividend rate of 0%, volatility factor of 109%, and a weighted average expected life of 2 years. The grant date fair value of agent's options granted during the year is \$0.06.

4. SHARE CAPITAL (continued)

(e) Agent Options: (continued)

The following is a summary of the changes in the Company's outstanding agent's stock options as at January 31, 2011:

	Number of Options	Weighted Average Exercise Price
Opening balance, January 31, 2010	-	-
Granted	200,000	\$ 0.10
Exercised	(60,000)	\$ 0.10
Exercisable, January 31, 2011	140,000	\$ 0.10

For the period ended January 31, 2010, the Company did not have any agent's options outstanding.

5. CONTRIBUTED SURPLUS

As at January 31, 2011 and January 31, 2010, contributed surplus was \$37,820 and \$ nil respectively. The increase was mainly the result of stock-based compensation calculated on stock options granted to directors and agent during the year ended January 31, 2011.

	Amount
Opening balance, January 31, 2010	\$ -
Stock options	29,855
Agent's options	11,379
Reclassified to share capital upon exercise of agent's option	(3,414)
Exercisable, January 31, 2011	\$ 37,820

ANSUE CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
January 31, 2011 and 2010

6. INCOME TAXES

The potential benefit of net operating loss carry forwards has not been recognized in the financial statements since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years. The components of the net future tax asset, the effective rate and the elected amount of the valuation allowance are as follows:

	January 31, 2011	January 31, 2010
Statutory rate	26.5%	28%
Income taxes recovery computed at the effective tax rate	\$ 15,400	\$ 560
Stock based compensation not deductible for tax purposes	(7,900)	-
Adjustment for temporary timing differences: Share issuance costs	10,200	-
Effect of change in income tax rate	(1,600)	-
Tax benefit not utilized	(16,100)	(560)
Income tax recovery (expense)	\$ -	\$ -

The approximate tax effects of each type of temporary difference that gives rise to future tax assets are as follows:

	January 31, 2011	January 31, 2010
Non-capital loss carry forwards	\$ 11,400	\$ 560
Share issuance cost	15,600	-
Less: valuation allowance	(27,000)	(560)
Net future tax assets	\$ -	\$ -

Due to the uncertainty surrounding the realization of future income tax assets, the Company has made a 100% valuation allowance against its future income tax assets.

As at January 31, 2011, the Company has non-capital losses of approximately \$45,766 (2010 - \$1,988) which may be carried forward and applied against taxable income in future years, subject to final determination by tax authorities and expiring as follows:

2030	\$ 560
2031	\$ 45,206

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Fair value

The Company's financial assets consist of cash and cash equivalents and short term investment. The estimated fair values of cash and cash equivalents and short term investment approximate their respective carrying values due to the short period to maturity. The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in CICA Handbook section 3862 – Financial Instruments – Disclosures. For the year ended January 31, 2011, the fair value of cash and cash equivalents and short-term investment were measured using Level 1 inputs.

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

(b) Liquidity risk

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

(c) Interest rate risk

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

(d) Currency risk

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

(e) Credit risk

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

8. CAPITAL MANAGEMENT

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

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

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

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

9. RELATED PARTY TRANSACTIONS

Balances and transactions with related parties not disclosed elsewhere in these financial statements are as follows:

- (a) For the year ended January 31, 2011, the Company paid a total of \$4,000 (January 31, 2010 - \$0) to a company owned by one of its directors for accounting and administrative services and the preparation of its financial reports.

10. SUBSEQUENT EVENT

On March 1, 2011 the Company entered into a letter of intent with respect to a proposed business combination (the "Business Combination") with Southern Andes Energy Inc. ("Southern Andes") which, if completed, will be the Company's qualifying transaction pursuant to the policies of the Exchange. The purpose of the letter of intent is to outline the principle terms and conditions upon which the Company will acquire from Southern Andes a 100% interest in the assets of Caracara Silver Inc. ("Caracara") which comprise interests in silver properties located in Peru.

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

Subsequent to the closing of the Business Combination, the Company will call and hold a special meeting of shareholders to consider and approve, among other things, a consolidation of the shares of the Company currently anticipated to be on a three (pre-consolidation shares) for one (post-consolidation share) basis as well as a name change of the Company to a name selected by Southern Andes and approved by requisite regulatory authorities. As the majority shareholder of the Company, Southern Andes will vote its shares in favour of the consolidation and the name change.

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

SCHEDULE "B"
CARVE-OUT COMBINED FINANCIAL STATEMENTS OF SOUTHERN ANDES – SILVER
OPERATIONS

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS
(An Exploration Stage Entity)

Carve-out Combined Financial Statements
Silver Assets of Southern Andes Energy Inc. Only (Notes 1 and 2)

March 31, 2011 (unaudited), and June 30, 2010, 2009 and 2008

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Contact: Hatem Kwar

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The carve-out combined financial statements of Southern Andes Energy Inc. – Silver Operations are the responsibility of the Board of Directors and management of Southern Andes Energy Inc. These carve-out combined financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control through an audit committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The carve-out combined financial statements as at June 30, 2010, 2009 and 2008 and for the years then ended have been audited by Smythe Ratcliffe LLP, Chartered Accountants. The auditors' report outlines the scope of their examination and their opinion on the carve-out combined financial statements.

"Nick Tintor"

.....
Nick Tintor, President and Chief Executive Officer

"Hatem Kawar"

.....
Hatem Kawar, Chief Financial Officer

Toronto, Ontario
July 21, 2011

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS
(An Exploration Stage Entity)

We have audited the accompanying carve-out combined balance sheets of Southern Andes Energy Inc. – Silver Operations (an exploration stage entity) as at June 30, 2010, 2009 and 2008, and the carve-out combined statements of operations and deficit and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Carve-out Combined Financial Statements

Management is responsible for the preparation and fair presentation of these carve-out combined financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of carve-out combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these carve-out combined financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the carve-out combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the carve-out combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the carve-out combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the carve-out combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the carve-out combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the carve-out combined financial statements present fairly, in all material respects, the financial position of Southern Andes Energy Inc. – Silver Operations as at June 30, 2010, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the carve-out combined financial statements, which indicates that the Company had no source of financing. This condition, along with other matters set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about Southern Andes Energy Inc. – Silver Operations ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia

July 21, 2011

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS
(An Exploration Stage Entity)
Carve-out Combined Balance Sheets

	March 31, 2011	2010	June 30, 2009	2008
	(unaudited)			
Assets				
Current				
Cash	\$ 149	\$ -	\$ -	\$ -
Accounts receivable	1,173	-	-	-
Resource properties (note 5)	5,377,834	5,159,008	5,031,232	5,294,495
	\$ 5,379,156	\$ 5,159,008	\$ 5,031,232	\$ 5,294,495
Liabilities				
Current				
Accounts payable and accrued liabilities Due to Southern Andes Energy Inc. (note 1)	\$ 145,440	\$ 159,000	\$ -	\$ -
	268,868	-	-	-
	414,308	159,000	-	-
Shareholders' Equity				
Share Capital	2,984	2,984	2,984	2,984
Contribution from Southern Andes Energy Inc.	5,405,308	5,389,394	5,420,618	5,291,511
Deficit	(443,444)	(392,370)	(392,370)	-
	4,964,848	5,000,008	5,031,232	5,294,495
	\$ 5,379,156	\$ 5,159,008	\$ 5,031,232	\$ 5,294,495

Contingency (note 7)

APPROVED ON BEHALF OF THE DIRECTORS:

"Nick Tintor"

Director

"Robert Boaz"

Director

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS
(An Exploration Stage Entity)
Carve-out Combined Statements of Operations and Deficit

	Nine Months Ended March 31, 2011 (unaudited)	Years Ended June 30,		
		2010	2009	2008
Expenses				
Legal fees	\$ 20,754	\$ -	\$ -	\$ -
Accounting fees	17,089	-	-	-
Office and administration	8,701	-	-	-
Travel	4,482	-	-	-
Bank charges and interest	48	-	-	-
Net Loss before Other Item	(51,074)	-	-	-
Other Item				
Write-down of resource property (note 5(b))	-	-	(392,370)	-
Net Loss and Comprehensive Loss for Period	(51,074)	-	(392,370)	-
Deficit, Beginning of Period	(392,370)	(392,370)	-	-
Deficit, End of Period	\$ (443,444)	\$ (392,370)	\$ (392,370)	\$ -

See notes to carve-out combined financial statements.

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS
(An Exploration Stage Entity)
Carve-out Combined Statements of Cash Flows

	Nine Months Ended March 31, 2011 (unaudited)	Years Ended June 30,		
		2010	2009	2008
Operating Activities				
Net loss	\$ (51,074)	\$ -	\$ (392,370)	\$ -
Write-down of resource property	-	-	392,370	-
Changes in non-cash working capital				
Accounts receivable	(1,173)	-	-	-
Cash used in operating activities	(52,247)	-	-	-
Financing Activity				
Contribution from Southern Andes Energy Inc.	284,786	127,776	129,107	584,094
Investing Activity				
Resource property expenditures	(232,390)	(127,776)	(129,107)	(584,094)
Inflow of Cash	149	-	-	-
Cash, Beginning of Period	-	-	-	-
Cash, End of Period	\$ 149	\$ -	\$ -	\$ -

See notes to carve-out combined financial statements.

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS

(An Exploration Stage Entity)

Notes to Carve-out Combined Financial Statements

Nine Months Ended March 31, 2011 (unaudited), and the Years Ended June 30, 2010, 2009 and 2008

1. NATURE OF OPERATIONS AND GOING CONCERN

Effective April 13, 2011, Southern Andes Energy Inc. (“Southern Andes”) and Ansue Capital Corp. (“Ansue”) signed a definitive agreement for the transfer of Southern Andes’ interests in Caracara Silver Inc. (“Caracara”), together with its subsidiary Alpaca Exploraciones SAC (“Alpaca”), and Solex del Peru S.A.C (“Solex”), both wholly-owned subsidiaries of Southern Andes, and certain silver assets owned by Southern Andes (the “Entity”) (collectively, the “Acquisition”).

As consideration for the Acquisition, Ansue has agreed to issue 100,000,000 common shares to Southern Andes and to assume intercompany debt owing to Southern Andes by Caracara in the estimated amount of \$268,868.

The carve-out combined balance sheet of the Entity presents the historical financial position on a carve-out basis in connection with the transfer by Southern Andes of its interests in the silver assets to Ansue. The Entity has not presented statements of operations and deficit for the years ended June 30, 2010, 2009 and 2008 since the allocation of general and administrative expenses to the Entity was estimated to be \$nil, as substantially all of Southern Andes’ operations and expenditures incurred during each of the periods presented were related to its other properties. The carve-out combined financial statements and notes thereto have been derived from the accounting records of Southern Andes on a carve-out basis and should be read together with the audited consolidated financial statements and notes thereto of Southern Andes for the years ended June 30, 2010, 2009 and 2008. The carve-out combined financial statements have been presented in accordance with the continuity of interest basis of accounting with balance sheet amounts based on amounts recorded by Southern Andes. Management cautions readers of the carve-out combined financial statements that the results do not necessarily reflect the results of operations or financial position that the Entity would have incurred in the aforementioned period or will incur in the future.

The Entity’s ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Entity to raise financing or the attainment of profitable operations to settle liabilities as they become payable. The carve-out combined balance sheet has been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The carve-out combined balance sheet does not include adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Entity be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian generally accepted accounting principles (“GAAP”) and are presented in Canadian dollars, which is the Entity’s functional and reporting currency.

(a) Basis of presentation

The carve-out combined financial statements include the silver operations of Southern Andes and its wholly-owned integrated subsidiaries, Solex and Caracara.

All inter-company balances and transactions with Solex and Caracara have been eliminated upon consolidation.

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS

(An Exploration Stage Entity)

Notes to Carve-out Combined Financial Statements

Nine Months Ended March 31, 2011 (unaudited), and the Years Ended June 30, 2010, 2009 and 2008

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Resource properties

The Entity defers all costs related to investments in mineral interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Entity's mineral rights are allowed to lapse.

All deferred mineral property expenditures are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Entity's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time, the Entity may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, any amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of resource properties, the determination of environmental obligations, accrued liabilities and the valuation allowance for future income tax assets. The Entity bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Entity may differ materially and adversely from the Entity's estimates and could affect future results of operations and cash flows.

(d) Asset retirement obligation ("ARO")

The Entity recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. At present, the Entity has determined that it has no material AROs to record in the financial statements.

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS

(An Exploration Stage Entity)

Notes to Carve-out Combined Financial Statements

Nine Months Ended March 31, 2011 (unaudited), and the Years Ended June 30, 2010, 2009 and 2008

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign exchange

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate prevailing at the time of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the year.

(f) Financial instruments

Financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Transaction costs other than those related to financial instruments classified as held-for-trading, which are expensed as incurred, are added to the fair value of the financial asset or financial liability on initial recognition.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair values:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

3. FUTURE ACCOUNTING CHANGE

International Financial Reporting Standards (“IFRS”)

In 2008, the Canadian Accounting Standards Board confirmed that the transition to IFRS from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises. The Entity will therefore be required to present IFRS financial statements for its September 30, 2011 interim financial statements. The effective date will require the restatement for comparative purposes of amounts reported by the Company for the interim periods and for the year ending June 30, 2011. The Company is currently evaluating the impact of the conversion on the Company's financial statements and is considering accounting policy choices available under IFRS.

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS

(An Exploration Stage Entity)

Notes to Carve-out Combined Financial Statements

Nine Months Ended March 31, 2011 (unaudited), and the Years Ended June 30, 2010, 2009 and 2008

4. CAPITAL MANAGEMENT

The Entity's capital management objective is to maximize potential investment returns to its equity stakeholders within the context of the relevant opportunities and risks associated with the Entity's operating segment.

The inherent nature of mineral exploration involves a high degree of "discovery" risk. Consequently, there is substantial uncertainty as to whether any particular project will generate positive cash flows in the future. Therefore, management of Southern Andes funds its exploration activity primarily by issuing share capital rather than using other capital sources that require fixed repayments of principal and interest. It considers share capital and notes payable as components of its capital base. The Entity's funding is limited to available funds and use of funds allocated by Southern Andes to the Entity.

Southern Andes manages its capital base by quarterly and annual cash flows forecasts. The timing and extent of both program implementation and financings are determined by management's evaluation of economic factors at the time, such as commodity prices, interest rates and foreign exchange, and non-economic factors such as the expected impact that completion of a given program may have on the cost of capital.

5. RESOURCE PROPERTIES

Resource property expenditures and balances for the nine months ended March 31, 2011 and years ended June 30, 2010 and 2009 are as follows:

	March 31, 2011	June 30, 2010	June 30, 2009	2008
	(unaudited)			
Princesa-Pilunani Belt, other	\$ 1,238,672	\$ 1,020,476	\$ 1,020,476	\$ 1,020,476
Princesa	2,020,483	2,020,483	2,006,502	1,991,584
Pilunani	2,063,397	2,062,767	2,004,254	1,901,481
Cullquimayo	55,282	55,282	-	380,954
	\$ 5,377,834	\$ 5,159,008	\$ 5,031,232	\$ 5,294,495

(a) Princesa-Pilunani Belt properties, Peru

The Princesa-Pilunani Belt properties consist of 19 contiguous or closely adjacent claims totalling 13,900 hectares, containing the following:

Princesa-Pilunani Belt Property Claim List		
Pilunani claim	One claim 1,000 hectares	Acquired by agreement (note 5(a)(i))
Princesa claims	Five claims 2,500 hectares	Acquired by staking (note 5(a)(ii))
Other Princesa-Pilunani belt properties	Thirteen claims 10,400 hectares	Acquired by staking

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS

(An Exploration Stage Entity)

Notes to Carve-out Combined Financial Statements

Nine Months Ended March 31, 2011 (unaudited), and the Years Ended June 30, 2010, 2009 and 2008

5. RESOURCE PROPERTIES (Continued)

(a) Princesa-Pilunani Belt properties, Peru (Continued)

- (i) Southern Andes owns a 100% undivided interest in a 1,000-hectare mineral property, located in the Puno Mining District, south-eastern Peru.
- (ii) In August 2005, Southern Andes increased its holdings in the Pilunani area by staking the Princesa properties in an area northwest of the main Pilunani claim.

(b) Cullquimayo properties, Peru

The properties consist of 13 claims, totalling 8,400 hectares. Pursuant to a May 2005 agreement, three properties totalling 1,600 hectares were acquired under an option requiring an initial payment of US\$5,000 per property (paid), payments of US\$10,000 per property in years two (paid) and three (paid), and US\$50,000 per property in year four. The other ten properties totalling 6,800 hectares were acquired by staking.

In year four, the Optionor of the three optioned properties showed unwillingness to conclude the transaction and receive the final option payment. The Company opted to write-down all the deferred exploration expenditures associated with these properties totalling \$392,370 during the year ended June 30, 2009. Subsequently, the Optionor requested completion of the final payment of \$150,000 and pursuant to an arbitration process in Peru, the Company is considered to still owe this amount. The Company is seeking some additional information from the arbitrators. Exploration expenditures made on this property during the year ended June 30, 2010 totalling \$55,282 have been deferred pending final outcome (note 7).

(c) Realization of assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Entity's assets. Realization of the Entity's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

(d) Title to mineral property interests

Although the Entity has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Entity's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

SOUTHERN ANDES ENERGY INC. – SILVER OPERATIONS

(An Exploration Stage Entity)

Notes to Carve-out Combined Financial Statements

Nine Months Ended March 31, 2011 (unaudited), and the Years Ended June 30, 2010, 2009 and 2008

5. RESOURCE PROPERTIES (Continued)

(e) Environmental

The Entity is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Entity may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Entity conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Entity is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Entity. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Entity's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. SEGMENTED DISCLOSURE

The Entity operates in one business segment, the acquisition, exploration and development of resource properties. All of the Entity's assets are located in Peru.

7. CONTINGENCY

In February 2010, Southern Andes was informed that a claim was filed with respect to payment of US\$150,000 owed by Southern Andes as consideration of the acquisition of mineral interests. The Company has accrued this amount (note 5(b)).

SCHEDULE "C"
PRO FORMA BALANCE SHEET OF THE RESULTING ISSUER

ANSUE CAPITAL CORP.

PRO FORMA CONSOLIDATED BALANCE SHEET

January 31, 2011

(UNAUDITED)

ANSUE CAPITAL CORP.
PRO FORMA CONSOLIDATED BALANCE SHEET
JANUARY 31, 2011
(Unaudited - Canadian dollars)

	Ansue Capital Corp. 31-Jan-11	Consolidated Southern Andes Energy Inc. (note 1) 31-Mar-11	Adjustments	Notes	Pro Forma Consolidated
Assets					
Current					
Cash and cash equivalents	\$ 21,780	\$ 149	\$ 6,409,125	3(a)	
			(384,547)	3(b)(i)	
			(268,868)	3(c)	
			(400,000)	3(e)	\$ 5,377,639
Accounts receivable	236	1,173	-		1,409
Short-term investments	176,204	-	-		176,204
	\$ 176,440	\$ 1,322	\$ 5,355,710		\$ 5,555,252
Mineral properties		5,377,834	1,690,000	3(e)	\$ 7,067,834
	\$ 198,220	\$ 5,379,156	\$ 7,045,710		\$ 12,623,086
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 471	\$ 145,440	\$ -		\$ 145,911
Due to Southern Andes Energy Inc.	-	268,868	(268,868)	3(c)	-
	\$ 471	\$ 414,308	\$ (268,868)		\$ 145,911
Shareholders' Equity					
Share capital	\$ 219,941	\$ 2,984	\$ 4,678,661	3(a)	
Additional capital		5,405,308	(282,000)	3(b)(i)	
			(218,303)	3(b)(ii)	
			(22,192)	3(d)	
			1,290,000	3(e)	
			45,000	3(f)	
			(45,000)	3(f)	\$ 11,074,399
Contributed surplus	37,820	-	1,730,464	3(a)	
			(102,547)	3(b)(i)	
			299,726	3(b)(ii)	
			(81,423)	3(b)(ii)	
			(37,820)	3(d)	1,846,220
Deficit	(60,012)	(443,444)	60,012	3(d)	(443,444)
	\$ 197,749	\$ 4,964,848	\$ 7,314,578		\$ 12,477,175
	\$ 198,220	\$ 5,379,156	\$ 7,045,710		\$ 12,623,086

See notes to pro forma consolidated financial statement.

ANSUE CAPITAL CORP.
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET
January 31, 2011
(Unaudited – Canadian dollars)

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated balance sheet has been prepared by management of Ansue Capital Corp. (“Ansue” or the “Company”) for inclusion in the Filing Statement of Ansue (the “Filing Statement”) in connection with the Qualifying Transaction involving the acquisition by Ansue of Caracara Silver Inc. (“Caracara”), together with its subsidiary Alpaca Exploraciones SAC (“Alpaca”), and Solex del Peru S.A.C (“Solex”), both wholly owned subsidiaries of Southern Andes Energy Inc. (“Southern Andes”) and certain silver assets of Southern Andes (altogether, “Consolidated Southern Andes Energy Inc.”) (collectively the “Acquisition”).

The unaudited pro forma consolidated balance sheet has been prepared in accordance with Canadian generally accepted accounting principles. The unaudited pro forma consolidated balance sheet has been prepared assuming the transaction had occurred on January 31, 2011. The Company is not required to present a pro forma statement of operations in accordance with the rules of the TSX Venture Exchange. The unaudited pro forma consolidated balance sheet has been prepared in accordance with Ansue’s accounting policies, as disclosed in Ansue’s audited financial statements for the year ended January 31, 2011. The unaudited pro forma consolidated balance sheet as at January 31, 2011 has been compiled from and include:

- the audited balance sheet of Ansue as at January 31, 2011;
- the audited consolidated balance sheet of Caracara as at March 31, 2011; and
- the unaudited carve-out financial statements of Solex as at March 31, 2011, representing only Solex’s silver assets; and
- the audited carve-out balance sheet of Southern Andes as at March 31, 2011, representing only Southern Andes’ silver assets.

The unaudited pro forma consolidated balance sheet should be read in conjunction with the consolidated financial statements and notes included therein, as referred to above and included in the Filing Statement. The audited financial statements of Ansue are available at www.sedar.com.

It is management’s opinion that the unaudited pro forma consolidated balance sheet includes all adjustments necessary for the fair presentation of the transactions described here and are in accordance with Canadian generally accepted accounting principles (“GAAP”) applied on a basis consistent with the Company’s accounting policies. The unaudited pro forma consolidated balance sheet is not intended to reflect the financial position of Ansue, which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro forma consolidated balance sheet and the differences may be material.

2. PRO FORMA TRANSACTIONS

The accompanying unaudited pro forma consolidated balance sheet of the Company gives effect to the proposed Acquisition of all of the issued and outstanding shares of Caracara, all of the issued and outstanding shares of Solex and the silver assets of Southern Andes all pursuant to a definitive agreement dated April 13, 2011. As a result of the Acquisition, Ansue will acquire all of the silver assets of Southern Andes, which comprise concessions in Peru. The transaction will result in the former shareholders of Consolidated Southern Andes Energy Inc. owning the majority of the issued and outstanding shares of Ansue which will constitute a reverse take-over of Ansue. As Ansue is a Capital Pool Company and does not meet the definition of a business

ANSUE CAPITAL CORP.
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET
January 31, 2011
(Unaudited – Canadian dollars)

2. PRO FORMA TRANSACTIONS (Continued)

under the Canadian Institute of Chartered Accountant Handbook Emerging Issues Committee Abstract 124, "Definition of a Business", the reverse take-over of Ansue by Consolidated Southern Andes Energy Inc. has been accounted for as a capital transaction.

- a) Ansue, although the legal parent and issuing and continuing enterprise, is treated as the acquiree for accounting purposes and Consolidated Southern Andes Energy Inc., the legal subsidiary, is treated as the acquirer for accounting purposes. As a result, Ansue is deemed to be a continuation of Consolidated Southern Andes Energy Inc. and Consolidated Southern Andes Inc. is deemed to have acquired control of the net assets of Ansue in the consideration of its issued capital.
- b) The assets and liabilities of Consolidated Southern Andes Energy Inc. and Ansue are included in the pro forma balance sheet at their historical carrying values.
- c) Contributed surplus and deficit of Ansue are eliminated by adjusting its share capital to the value equivalent to the net assets of Ansue.

As consideration for the Acquisition, Ansue has agreed to issue 100,000,000 common shares to Southern Andes and to assume intercorporate debt owing to Southern Andes by Caracara in the estimated amount of \$268,868 which will be paid subsequent to the financing. Immediately following the issuance of 100,000,000 common shares as consideration for the Acquisition and closing the Acquisition, Ansue will consolidate its share capital on the basis of one new common share for three old common shares. Concurrently with the completion of the Qualifying Transaction, the Company will close an equity financing of a maximum of 14,242,501 post-consolidation Units of the Company at a price of \$0.45 per unit.

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated balance sheet as at January 31, 2011 gives effect to the following assumptions and adjustments:

- (a) Upon the completion of the Acquisition, the Company will consolidate its share capital on the basis of one new common share for three old common shares. Concurrent with the completion of qualifying transaction, the Company will complete a private placement of 14,242,501 units (each a "Unit") at a price of \$0.45 per Unit for gross proceeds of \$6,409,125. Each Unit comprises one common share and one half of one common share purchase warrant of the Company. Each whole common share purchase warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.60 per share during the 24 months following the completion of the Qualifying Transaction. The Company calculated the fair value of the warrant component using the Black-Scholes option pricing model with the following variables: Risk-free interest rate of 2.7%; dividend yield of 0%, expected life of 2 years; and volatility of 171%, resulting in a fair value of \$0.34 per warrant. The Company allocated the total proceeds received into common shares and warrants based on their relative fair value which the Company recorded \$4,678,661 to share capital and \$1,730,464 to contributed surplus.
- (b) (i) Cash transaction costs with respect to the financing is equal to 6% of the gross proceeds raised in the private placement of \$384,547 ((a) above). Cash transaction costs have been allocated to share capital and contributed surplus in the amounts of \$282,000 and \$102,547, respectively.

ANSUE CAPITAL CORP.
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET
January 31, 2011
(Unaudited – Canadian dollars)

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (Continued)

(ii) In addition, the Company will issue agent warrants (“Agent Warrants”) to the agent representing 6% of the number of units issued as part of the private placement, where each Agent Warrant will be exercisable until May 31, 2013, for one unit on a post-Consolidation basis at the Offering Price, pursuant to the terms of Agency Agreement. The Company calculated the fair value of the Agent Warrants using the Black-Scholes option pricing model with the following variables: Risk-free interest rate of 2.7%; dividend yield of 0%, expected life of 2 years; and volatility of 171%, resulting in a fair value of \$0.35 per Agent Warrant. The fair value of the Agent Warrants amounted to \$299,726, which is considered as issuance cost is allocated to share capital and contributed surplus in the amounts of \$218,303 and \$81,423, respectively.

Both cash and non-cash transaction costs have been allocated to share capital and contributed surplus based on the relative fair value of common shares and warrants.

- (c) Intercorporate debt owed to Southern Andes is repaid.
- (d) Eliminating the contributed surplus and deficit of Ansue with difference adjusting to the share capital.
- (e) Pursuant to an Amendment to Purchase Agreement dated April 8, 2011 between Cybersonic Ltd. (Vendor) and Alpaca Exploraciones S.A.C., and Caracara Silver Inc., (collectively “Purchaser Group”), the additional consideration payable by the Purchaser Group to the Vendor is as follows:

(i) cash payment with the following schedule:

- \$120,000 payable on or before the first anniversary of the Closing Date
- \$280,000 payable on or before the second anniversary of the Closing Date

(ii) shares delivered to Vendor with the following schedule:

- a. 5,676,000 pre-consolidation common shares in the capital of Ansue forthwith after completion of the Acquisition
- b. 2,924,000 pre-consolidation common shares in the capital of Ansue one year anniversary of the date of completion of Acquisition.

For the purpose of preparing the pro forma consolidated balance sheet, the above-noted additional consideration is deemed to be paid and issued as at January 31, 2011. A total value of \$1,690,000 is recorded in the mineral properties (consists of \$400,000 cash payment and 2,866,666 Ansue post-consolidation shares with a fair value of \$1,290,000).

- (f) Issuance of 100,000 common shares in connection with sourcing the acquisition on behalf of Ansue at fair value of \$0.45 per share for a total of \$45,000.

ANSUE CAPITAL CORP.
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET
January 31, 2011
(Unaudited – Canadian dollars)

4. PRO FORMA SHARE CAPITAL (INCLUDING ADDITIONAL CAPITAL)

	Number of Common Shares	Amount
Ansue common shares issued and outstanding immediately before Acquisition and share consolidation as at January 31, 2011	4,060,000	\$ 219,941
Recapitalization of Ansue deficit and contributed surplus to share capital	-	(22,192)
Issuance of common shares for Acquisition (note 2)	100,000,000	5,408,292
3 for 1 share consolidation (note 2)	(69,373,333)	-
Issuance of Ansue common shares in connection with private placement (note 3(a))	14,242,501	4,678,661
Share issue costs - cash (note 3(b)(i))	-	(282,000)
Share issue costs - agent warrants (note 3(b)(ii))	-	(218,303)
Additional consideration for property payment (note 3(e)(ii)(a))	1,892,000	851,400
Shares issued as finder's fee (note 3(f))	100,000	45,000
Recapitalization of finder's fee shares (note 3(f))	-	(45,000)
	50,921,168	10,635,799
Additional consideration for property payment (note 3(e)(ii)(b))	974,666	438,600
Pro forma balance, January 31, 2011	51,895,834	\$ 11,074,399

5. PRO FORMA CONTRIBUTED SURPLUS

	Number of Options / Warrants / Agent Warrants	Amount
Ansue contributed surplus ¹	179,999	\$ 37,820
Recapitalization of Ansue contributed surplus to share capital	-	(37,820)
Warrants issued in connection with private placement warrants (note 3(a))	7,121,250	1,730,464
Share issue costs - cash (note 3(b)(i))	-	(102,547)
Agent warrants (note 3(b)(ii)) ²	854,550	299,726
Share issue costs – agent warrants (note 3(b)(ii))	-	(81,423)
Pro forma balance, January 31, 2011		\$ 1,846,220

^{1.} Includes 133,332 options and 46,667 agent's options.

^{2.} 854,550 units (6% of total issued units of 14,242,501).

ACKNOWLEDGEMENT – PERSONAL INFORMATION

The undersigned hereby acknowledge and agree that they have obtained the express written consent of each individual to:

- (a) The disclosure of Personal Information by the undersigned to the Exchange pursuant to the Filing Statement; and
- (b) The collection, use and disclosure of Personal Information by the Exchange (as defined in Appendix 6B) for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

(Signed) "*Suzanne Wood*"

Suzanne Wood,
Chief Executive Officer, Chief Financial Officer
and President
of Ansue Capital Corp.

(Signed) "*Anne B. Chopra*"

Anne B. Chopra
Director of Ansue Capital Corp.

DATED: July 29, 2011

CERTIFICATE OF ANSUE CAPITAL CORP.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Ansue Capital Corp. following completion of the Qualifying Transaction.

(Signed) "*Suzanne Wood*"

(Signed) "*Anne B. Chopra*"

Suzanne Wood
President, Chief Executive Officer and Chief
Financial Officer

Anne B. Chopra
Director

ON BEHALF OF THE BOARD

(Signed) "*Anne B. Chopra*"

(Signed) "*Dale Peterson*"

Anne B. Chopra
Director

Dale Peterson
Director

DATED: July 29, 2011

CERTIFICATE OF CARACARA SILVER INC.

The foregoing as it relates to Caracara Silver Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Caracara Silver Inc.

(Signed) "*Nick Tintor*"

(Signed) "*Stephen Gledhill*"

Nick Tintor
President and Chief Executive Officer

Stephen Gledhill
Chief Financial Officer

ON BEHALF OF THE BOARD

(Signed) "*Nick Tintor*"

(Signed) "*Laurence Curtis*"

Nick Tintor
Director

Laurence Curtis
Chairman

DATED: July 29, 2011

CERTIFICATE OF SOLEX DEL PERU SAC

The foregoing as it relates to Solex constitutes full, true and plain disclosure of all material facts relating to the securities of Solex.

(Signed) "*Nick Tintor*"

(Signed) "*Arnaldo Leon*"

Nick Tintor
Shareholder

Arnaldo Leon
General Manager

ON BEHALF OF THE BOARD

(Signed) "*Nick Tintor*"

Nick Tintor
Director

DATED: July 29, 2011

CERTIFICATE OF SOUTHERN ANDES ENERGY INC.

The foregoing as it relates to Southern Andes constitutes full, true and plain disclosure of all material facts relating to the securities of Southern Andes.

(Signed) "*Nick Tintor*"

(Signed) "*Hatem Kwar*"

Nick Tintor
President and Chief Executive Officer

Hatem Kwar
Chief Financial Officer

ON BEHALF OF THE BOARD

(Signed) "*Nick Tintor*"

(Signed) "*Robert Boaz*"

Nick Tintor
Director

Robert Boaz
Chairman