MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended December 31, 2011
Report dated April 26, 2012

Table of Contents

INTRODUCTION

The following information, prepared as of April 26, 2012, should be read in conjunction with the audited consolidated financial statements of Samaranta Mining Corporation (the “Company” or “Samaranta”) for the year ended December 31, 2011. As detailed elsewhere in this MD&A, the Company in its current form arose from an amalgamation with Legion Resources Corp. (“Legion”), a publicly traded Canadian company. For financial reporting purposes and for the purposes of reporting in this MD&A, all information contained in this MD&A relates to the results of operations of the Company since the date of the amalgamation as well as the operations of Samaranta prior to the amalgamation. Samaranta was privately held until May 20, 2011, the date of the amalgamation and accordingly this is the first annual Management Discussion and Analysis to be prepared.

The audited consolidated financial statements for the year ended December 31, 2011 have been prepared in accordance with Canadian generally accepted accounting Principles (“GAAP”) as defined in the Handbook of the Canadian Institute of Chartered Accountants (“CICA Handbook”). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and to require publicly accountable enterprises to apply these standards effective for years beginning on or after January 1, 2011. Accordingly, these are the Company’s first annual consolidated financial statements prepared in accordance with IFRS as issued by the IASB.

The consolidated financial statements have been prepared using accounting policies consistent with IFRS. Subject to certain transition elections and exceptions disclosed in these statements, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at January 1, 2010 throughout all periods presented, as if these policies had always been in effect. The statements include a description of the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company’s consolidated financial statements for the year ended December 31, 2010 prepared under pre-convergence Canadian GAAP (“pre-convergence GAAP”).

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

GENERAL

Samaranta was incorporated pursuant to the Canada Business Corporations Act on February 5, 2008 and was continued into BC under the Business Corporations Act (British Columbia) on February 18, 2011. Effective May 20, 2011 Samaranta completed a reverse takeover transaction (the "RTO") with Legion, a publicly traded Canadian company, pursuant to which Legion and Samaranta agreed to merge the companies under the name "Samaranta Mining Corporation". At that date Legion's shares ceased trading on the TSX Venture Exchange and trading in the shares of Samaranta commenced under the symbol "SAX". Additional information related to Samaranta is available at www.samaranta.ca and on SEDAR at www.sedar.com.

MANAGEMENT AND DIRECTORS

A description of the background and experience of the Company's management and directors can be found on the corporate website.

DESCRIPTION OF BUSINESS

Samaranta is in the business of acquiring, exploring and developing mineral properties, primarily located in Colombia, South America. The Company holds its interests in its Colombian mineral interests through a wholly-owned Colombian subsidiary, Grupo Mineros del Caribe, S. A. S. ("Grupo") which was incorporated on April 19, 2010, under the laws of Colombia.

The Company also holds a 100% interest in Guinean Global Resources SA which has an 80% ownership interest in Group Guinea Investment SA, both Guinea, West Africa companies. In October, 2011 the Company sold their interest, the cash proceeds from which are currently being held in escrow pending confirmation of share ownership. The Company also owns the mineral rights for one small property located in Canada.

MINERAL PROPERTY INTERESTS

Guadalupe Mineral Property

Description

Currently the Guadalupe Property in Colombia is Samaranta's most significant mineral property comprised of two thirty-year mineral exploration concession contracts granted on April 20, 2005. The property consists of approximately 786 hectares located in the Municipality of Segovia, Colombia adjacent to the northern boundary of the Frontino Gold Mines in Antioquia, Colombia. On June 8, 2010, the Company entered into an assignment of mining rights agreement to acquire an undivided interest in the rights to these contracts in exchange for cash of US$700,000 (paid) and agreeing to be responsible for surface rental and environmental insurance policy payments.

Pursuant to a participation in production agreement dated June 4, 2010, the Company has committed to pay a 15% net production royalty to a third party in exchange for finder's fees related to the property acquisition. The agreement also contains a US$500,000 penalty provision for any default therein, subject to a force majeure exception. The Company can reduce this royalty to nil in exchange for a cash payment of US$5,000,000 to be paid before June 4, 2015.

An alluvial minerals and NSR participation agreement dated April 23, 2010 continues to be in effect for this property whereby all of the alluvial minerals extraction rights are owned by the vendor, subject to a 15% net production royalty in favour of the Company.

Also pursuant to this agreement, the vendor has been granted a variable 1% to 4% net smelter royalty ("NSR") on all non-alluvial production, with actual NSR rates dependent upon the US$ price of gold. The agreement contains a US$10,000,000 penalty provision for any default therein.

Concession contracts related to exploration and mining in Colombia are governed by Colombian mining laws and have three phases which commence upon its registration in the National Mining Registry (Registro Minero Naciónal): exploration, construction and exploitation. The contracts are currently in the exploration phase which is expected to terminate on April 25, 2016. Concessions ground fees (also known as "canons" in Colombia) are payable during the exploration and construction phases.

Exploration

As at December 31, 2011 the Company has incurred $548,354 in exploration expenditures with respect to this property and $732,186 for option payments. Exploration in 2010 included rock and soil sampling. In August, 2011 the Company completed a 501 line-kilometer Helicopter Magnetometer and Gamma Spectrometer (Radiometrics) survey on four separate Samaranta properties, including the Guadalupe property. In January, 2012 the Company received a detailed geological compilation and air photo interpretation and initial sample results from the Phase 1 field program. The main goals of the interpretation were to define possible gold mineralization structures, geological alteration and further define potential target areas for ground follow-up. Based on the interpretation of results two priority drill targets were identified and the Company has designed a mechanized trenching program to test priority areas of mineralization once permits are in place. Target area 1 lies on the south-eastern portion of the Guadalupe property close to an existing serviceable gravel access road. Target area 2 lies approximately 500 meters west of target 1. Construction of access trails to mobilize the drill program is currently underway.

Mr. Derrick Strickland, P. Geo., was retained by Samaranta to prepare a NI 43-101 independent technical evaluation report on the Guadalupe Property. This report has been filed on Sedar.

Manila 2 Mineral Property

Pursuant to a mining concessions assignment agreement dated May 31, 2010, the Company has the right to acquire a 98% interest in an area comprising of approximately 5,749 hectares located in Segovia and Remedios, Colombia commonly referred to as the Manila 2 property in exchange for a cash payment of US$104,500 due on future as yet unspecified Colombian regulatory approval dates. The Manila 2 property is subject to a variable 1% to 4% NSR on all non-alluvial production, with actual NSR rates dependent upon the US$ price of gold. The alluvial mining extraction rights relating to the Manila 2 property remain with the vendor, subject to a variable 1% to 4% NSR in favour of the Company with actual NSR rates dependent upon the US$ price of gold.

As at December 31, 2011, $23,384 of exploration expenditure has been incurred with respect to this property.

Small Frontino Mineral Property

Pursuant to a dispute settlement agreement dated December 3, 2010 and subsequently renegotiated in January, 2011, the Company agreed to acquire two mineral concessions located in Colombia known as part of the Small Frontino properties in exchange for cash. As at December 31, 2011, $120,382 has been incurred in exploration expenditures on this property primarily for option payments.

Frontino operations contract

The Company has entered into a four-year exclusive management contract pursuant to which it was granted the right to develop and implement a sustainable management plan and to manage the Frontino Gold Mine mineral properties in exchange for a variable 5% to 10% production fee. This contract will commence only if and when the legal ownership of the property has been established to the benefit of the contractor.

Siguiri, West Africa Mineral Property

In June, 2011, the Company acquired its wholly owned Guinean subsidiary which effective September 21, 2011, through its 80% ownership interest in another Guinean company, acquired the mineral rights to a property covering approximately 14,300 hectares located in Guinea, West Africa.

Shortly after this acquisition Management was approached with a proposal for the disposal of their Guinean interest. After further discussion it was decided that disposing of this interest was in agreement with the Company's objectives. As a result effective October 1, 2011 and amended October 21, 2011 the Company entered into a share purchase option agreement with Siguiri Gold Mining Corp ("Siguiri") and Siguiri Mining Guinea Ltd. ("SMG") whereby Siguiri agreed to purchase the Company's shares in its wholly owned Guinean subsidiary, Guinean Global Resources SA ("GGR") in exchange for cash and shares.

Pursuant to the terms of the agreement the GGR shares will be transferred in four tranches in exchange for:

	SMG Cash Payment	Siguiri Share Issuance	SMG Exploration expenditures to be incurred	GGR % of shares Acquired	GGR Cumulative % of shares Acquired
October 31, 2011	125,000	100,000		3.5%	3.5%
October 31, 2012	-	200,000	500,000	14.5%	18%
October 31, 2013	-	200,000	1,000,000	31.5%	49.5%
October 31, 2014	-	1,000,000(1)	1,000,000	51.5%	100%
	125,000	1,500,000	2,500,000		

(1) At SMG's sole option this payment may be either cash of $1,000,000 or 1,000,000 Siguiri shares

As at December 31, 2011 the initial cash payment of $180,000 due on signing consisting of $125,000 plus $55,000 of costs associated with the acquisition of the Property is recorded as a receivable as the funds are held in escrow pending confirmation of the initial GGR share transfer. The fair market value of the Siguiri shares was recorded as nil because it could not be reliably determined.

The agreement specifies that SMG is also required to complete a NI 43-101 compliant technical report. In addition, prior to or concurrent with the final payment, Samaranta will be granted a 2% NSR on the Property, one-half of which (1% NSR) may be purchased at any time by SMG for $1,000,000.

SELECTED ANNUAL FINANCIAL INFORMATION

The table below reflects selected financial data for the Company's three most recently completed fiscal years as presented in the audited financial statements.

	2011	2010	2009
Loss for the year	$ (5,160,820)	$ (2,098,372)	$ (2,046,637)
Basic and diluted loss per share	$ (0.17)	$ (0.23)	$ (40.93)
Total assets	$ 2,864,053	$ 1,001,502	$ 63,825
Total long term liabilities	-	-	-
Cash dividends declared per share	-	-	-

The Company is in the exploration stage and did not earn any significant revenue during the two most recently completed fiscal years.

RESULTS OF OPERATIONS

Other than minimal interest income the Company did not record any revenues during either of the fiscal periods under review. The Company's cash position at December 31, 2011 was $998,808 contributing to working capital of $1,028,082.

The loss for 2011 included $3,111,391 relating to the share-based payment on reorganization arising from the accounting treatment applied to the RTO, $160,000 in professional fees associated with the RTO, $723,610 relating to share-based payments for compensation during the year and $41,572 in write-downs of mining claims. The remaining amounts included in the loss reported for the year amounted to $1,124,247 representing expenditures commensurate with the Company's new exchange listing requirements, a focus on the RTO as well as Colombian exploration efforts.

The loss for the 2010 fiscal year of $2,098,372 resulted primarily from administrative costs and included a write down of $67,416 in mining claims, $128,000 for settlement of a property dispute and $618,967 in consulting fees including severance settlements.

The 2009 loss of $2,046,637 included a write-off of mining claims of $1,046,385 related to the termination of mineral property agreements on the Camperucho, Rio Saldana and El Diamante prospects located in Colombia as well as the Galleon prospect located in Alaska. All of the Colombian prospects were abandoned because of the lack of sufficient funding to complete the acquisition terms.

Total assets as at December 31, 2011 and December 31, 2010 increased significantly from the prior fiscal year balance due to proceeds received from financings during the year.

QUARTERLY FINANCIAL REVIEW

The following table is a summary of selected financial data from the Company's unaudited quarterly financial statements for the eight most recently completed quarters.

During the 2010 time period the Company was still in the process of determining the adjustments required to convert from accounting policies required under pre-convergence GAAP to those policies required under IFRS. These adjustments had been finalized by the end of the quarter ending December 31, 2010 but may not have been correctly allocated over the 2010 quarters. It is believed that any adjustment arising from reallocating the IFRS adjustment over all 2010 quarters would not have been significant for purposes of the presenting this quarterly review.

There were no significant revenues, long term liabilities or cash dividends declared in either of the reported periods. The amounts do not include results from Legion's operations.

	Q4 - 2011 Dec 31, 2011	Q3 - 2011 Sept 30, 2011	Q2 - 2011 June 30, 2011	Q1 - 2011 March 31, 2011
Comprehensive loss for the period	$ (229,295)	$ (375,867)	$ (4,181,459)	$ (387,245)
Basic loss per share (note 1)	($0.01)	($0.01)	($0.21)	($0.01)
Total assets	2,864,053	3,051,900	3,437,462	1,469,268
Working capital (deficiency)	$ 1,028,082	$ 1,533,033	$ 2,290,243	$ (384,738)

	Q4 - 2010 December 31, 2010	Q3 - 2010 September 30, 2010	Q2 - 2010 June 30, 2010	Q1 - 2010 March 31, 2010
Comprehensive loss for the period	$ (573,864)	$ (664,551)	$ (443,474)	$ (424,531)
Basic loss per share (note 1)	($0.01)	($0.06)	($0.08)	($0.59)
Total assets	1,001,502	630,592	935,978	610,571
Working capital (deficiency)	$ (583,058)	$ (648,404)	$ 87,015	$ (157,178)

Note 1 – Fully diluted calculations have not been provided due to the anti-dilutive effect of outstanding warrants and options.

Comprehensive loss

The following table reflects the amount of normalized loss after excluding expenses arising from the RTO and share-based payments for the quarters ending in 2011.

	Q4 - 2011 Dec 31, 2011	Q3 - 2011 Sept 30, 2011	Q2 - 2011 June 30, 2011	Q1 - 2011 Mar 31, 2011
Comprehensive loss before the following	$ (225,995)	$ (308,367)	$ (344,988)	$ (297,245)
Share-based payment on reorganization	-	-	(3,118,619)	-
Share-based payments for compensation	(3,300)	(67,500)	(656,110)	-
Fees associated with amalgamation	-	-	(70,000)	(90,000)
Comprehensive loss for the period	$ (229,295)	$ (375,867)	$ (4,189,717)	$ (387,245)

As per the above table the amount of normalized loss was consistent between the four quarters ending in 2011. In 2010 the comprehensive loss per quarter averaged higher than those included in 2011 due to the higher number of mineral property acquisitions that were being pursued in 2010. The quarter ended December 31, 2010 also included an expense of $128,000 relating to a settlement of a legal dispute and the third quarter of 2010 included accruals for most of the severance payments paid to several consultants. The more significant expenses in each 2011 quarter included:

	Q4 - 2011 December 31, 2011	Q3 - 2011 September 30, 2011	Q2 - 2011 June 30, 2011	Q1 - 2011 March 31, 2011
Accounting and audit fees	$ 28,058	$ 78,173	$ 30,905	$ 25,559
Consulting	7,404	54,392	18,804	53,975
Legal	21,672	19,165	132,337	35,783
Office	54,412	51,613	67,675	36,929
Project generation (recovery)	(28,721)	-	(42,786)	50,001
Transfer and filing fees	$ -	$ 478	$ 24,494	$ -

The more significant expenses in each 2010 quarter included:

	Q4 - 2010 December 31, 2010	Q3 - 2010 September 30, 2010	Q2 - 2010 June 30, 2010	Q1 - 2010 March 31, 2010
Accounting and audit fees	$ 53,945	$ 46,713	$ 11,100	$ 9,500
Consulting	13,737	243,356	164,830	197,044
Legal	$ 142,228	$ 81,469	$ 65,118	$ 101,478

Accounting and audit in Q3 -2011 include an adjustment for audit fees related to the 2010 fiscal year as well as an increase in the 2011 audit accrual due to the increased level of exploration activity. The amounts recorded in Q 3 and 4 – 2010 include catch up services as the private company prepared for the RTO transaction.

Consulting fees increased in Q3 – 2011 due to expertise required for Guinean and Colombian exploration as well as an increase in emphasis on investor relations and related subscriptions. The amounts recorded in Q1, 2 and 3 – 2010 related to agreements in place during that time period with Q3 – 2010 also reflecting most of the severance payments paid to consultants during the year.

Legal expenses were incurred in Q2 – 2011 as the Company pursued additional mineral property prospects in Colombia and Guinea. Legal expenses were high throughout 2010 as the affairs of the Company became more organized in preparation for the RTO.

Office expenditures were consistent between 2011 quarters and relate to one office maintained in each of Canada and Colombia.

Pursuing these prospects also gave rise to project generation costs in the three months ended March 31, 2011 although some of these costs were later deferred to mineral properties in the three months ended June 30, 2011. Q4 -2011 project recoveries arose from a reversal of amounts over-accrued in the prior year.

Transfer and filing fees were incurred in Q2 -2011 commensurate with the issue of shares.

<u>Total assets</u>
Total assets which had increased as a result of the Q2 - 2011 financing were drawn down in the most recent two quarters due to general and administrative expenses. Total assets in Q2 and Q4 – 2010 also increased due to smaller financings occurring in those quarters.

<u>Working Capital</u>
Working Capital which had also improved with the May 20, 2011 financing was drawn down in the two most recent quarters due to exploration expenditures and general and administrative expenses. The increase in working capital arising from the Q 2 and Q4 - 2010 financings was partially offset by administrative expenditures.

FOURTH QUARTER

The Company recorded a loss from operations of $208,731 ($0.01/share) in the quarter ended December 31, 2011. The more significant items included in this loss were highlighted in the foregoing quarterly financial review but also include a $41,572 write-down of mining claims recorded in the Q4 -2011 period.

FINANCING ACTIVITIES

On July 1, 2010, the Company agreed to a marketing and communications agreement in which it committed to issue a total of 508,750 pre-consolidation common shares valued at $0.05 per share in exchange for certain services rendered in connection with marketing and communication. These shares were issued on February 11, 2011 in exchange for consulting services provided and recorded in the 2011 fiscal year.

On February 11, 2011, the Company issued 1,400,000 pre-consolidation common shares at $0.05 per share in a private placement for which funds had been received in 2010 and the Company entered into a shares-for-debt agreement in which 300,000 pre-consolidation common shares valued at $0.05 per share were issued to a related party in exchange for legal services of $15,000.

On February 17, 2011, the Company completed a private placement of 16,235,319 pre-consolidation common shares at $0.047 per share for gross proceeds of $763,060. In connection with the private placement, finder's fees were paid consisting of cash of $61,045 and 1,298,825 pre-consolidation share purchase warrants. Each warrant prior to amalgamation was exercisable at a price of $0.05 per common share with an expiry of February 17, 2012.

On May 20, 2011 the common shares of Samaranta Privco and Legion were exchanged on a 6.5:1 and 4:1 basis respectively for common shares of the Company as part of the RTO.

Also on May 20, 2011, after completion of the RTO, Samaranta undertook a brokered private placement of 10,000,000 units issued at $0.35 per unit for gross proceeds of $3,500,000, each unit comprised of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at $0.50 per share until expiry on May 20, 2013. In connection with the private placement, finder's fees were paid consisting of cash of $340,000 and 800,000 share purchase warrants.

On May 20, 2011 all of the Class C Super Voting shares were redeemed for cash of $50.

CAPITAL EXPENDITURES

Other than a minimal amount of equipment purchases and expending funds on mineral properties the Company did not incur any significant capital expenditures during the year ended December 31, 2011.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities for the year ended December 31, 2011, resulted in a cash increase of $733,009. As at December 31, 2011, the Company had cash of $998,808 and working capital of $1,028,082 which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding. The Company has announced its intention to undertake a non-brokered private placement. While the Company has been successful in securing financings in the past, there is no assurance that the maximum amount of financing offered will be received. These conditions cast significant doubt on the Company's ability to continue as a going concern.

SUBSEQUENT EVENTS

On February 17, 2012 a total of 199,819 agent warrants, exercisable at $0.325, expired.

In April, 2012 the Company amended the exercise price of 5,000,000 warrants from $0.50 to $0.12 per warrant.

On March 23, 2012 the Company announced that, subject to regulatory approval it intended to undertake a brokered private placement of up to 6,000,000 units issued at $0.10 per unit for gross proceeds of up to $600,000, each unit comprised of one common share and one-half common share purchase warrant. Each whole warrant would entitle the holder thereof to purchase one common share at $0.15 per share until expiry in two years. In connection with the private placement it is intended that finder's fees will be paid consisting of cash of $48,000 and 480,000 share purchase warrants exercisable at $0.15 for a period of eighteen months.

FUTURE OUTLOOK

The Company has now completed the amalgamation with Legion, completed a significant financing, and restored the Company to a positive working capital position. With these immediate objectives having now been achieved the Company has increased its focus on exploring the mineral prospects of the Guadalupe mineral property and will continue to pursue other mineral property prospects as they arise.

In order to execute its business plan the Company expects that future financings will likely be required although the ability to complete such on terms acceptable to the Company is uncertain, in particular in view of recent stock market volatility. Management has assessed and will continue to address the implications of recent events in order to ensure that the Company can continue to achieve its long term objectives.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company incurred charges to directors and officers, a former director or to companies associated with these individuals as follows:

	Year ended December 31, 2011	Year ended December 31, 2010
Accounting	$ 130,989	$ 47,884
Consulting	23,000	568,777
Management fees to key management	96,000	132,000
Office rent	-	105,000
	$ 249,989	$ 853,661

Transactions with related parties are recorded at the exchange amount, being the price agreed between the parties. Other than these fees there were no other transactions with related parties or other compensation paid or payable to key management for employee services.

Key services consists of management fees of $8,000 per month for all periods reflected and the issue of 2,450,000 stock options to Management and directors for which share-based compensation of $661,595 was recorded as an expense for the year ended December 31, 2011 (December 31, 2010: 187,500 options for $6,335).

Due to related parties at January 1, 2010 includes $504,019 payable to a former director, an officer and entities controlled by an officer. These amounts were repaid during 2010 by the issue of shares and cash. There were no amounts due to related parties at December 31, 2011.

CAPITALIZATION

As at April 26, 2012, the Company's share capital was as follows:

Authorized: Unlimited common shares without par value
Unlimited Class B non-voting preference shares without par value
Unlimited Class C Super Voting shares without par value
Issued and Outstanding: 36,872,147 common shares

Stock options outstanding:

Number of shares	Exercise Price	Expiry Date
312,500	$0.60	May 13, 2015
25,000	$0.60	June 29, 2015
25,000	$0.60	July 27, 2015
2,570,000	$0.35	May 20, 2016
185,000	$0.355	June 7, 2016
30,000	$0.35	October 4, 2016
3,147,500		

In April, 2012 the Company was also committed, subject to regulatory approval, to issue 150,000 options exercisable at $0.16 per share for a period of ten years such options to vest equally at three month intervals over one year. These options have not yet been granted.

As at April 26, 2012 there were 5,000,000 share purchase and 800,000 agent warrants exercisable at $0.50 outstanding.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by Management during their preparation.

Management considers the areas currently requiring a significant degree of estimation and assumption to be the carrying value of and title to exploration and evaluation assets, fair value measurements for financial instruments and share-based compensation and the value attributed to Legion's net identifiable assets and liabilities acquired on amalgamation.

Management's determination of the Company's key management personnel is considered to be a critical accounting judgment for the current period.

The process of estimating the recoverability of mineral properties involves both judgement and uncertainty as it relies on both an interpretation of technical geological data as well as economic considerations including current and estimated future commodity prices and exploration costs. As new data or information is received these estimates may change.

Management reviews the carrying values of its mineral properties on an annual periodic basis to determine whether an impairment of carrying value should be recognized. In addition, capitalized costs related to abandoned properties are written off as soon as the abandonment decision is made.

The Company uses the fair-value method of accounting for share-based compensation related to incentive stock options granted, modified or settled. Under this method, compensation cost attributable to all incentive stock options granted is measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. In determining the fair value, the Company makes estimates of the expected volatility of the stock as well as estimated forfeiture rate and an estimated discount rate. Changes to these estimates could result in the fair value of the share-based compensation being different than the amount recorded.

The Company recorded the RTO with Legion on the basis that the transaction constituted the issuance of shares by Samaranta for Legion's net monetary assets, accompanied by a recapitalization of Samaranta. Since Legion did not meet the definition of a business under IFRS 3, *Business Combinations*, the transaction was considered to be capital in substance rather than a business combination. As such Samaranta accounted for the transaction as a reverse takeover ("RTO") where no goodwill or intangible asset representing the stock exchange listing was recorded. As a result of the accounting treatment for the RTO Legion's operating results before the takeover were not included in the 2011 annual statements. The fair value of consideration for the Legion assets acquired was based on the value of Samaranta common shares issued in exchange.

CHANGES IN ACCOUNTING POLICIES INCLUDING FIRST TIME ADOPTION OF IFRS

The Company has now completed three phases of IFRS conversion: scoping and planning, detailed assessment, and implementation and has correspondingly implemented the necessary changes to its accounting systems and reporting processes to support preparation of the IFRS compliant financial statements and disclosure notes. Notes 18 of the audited consolidated financial statements for the year ended December 31, 2011 provide details of the pre-conversion Canadian GAAP to IFRS differences, accounting policy decisions and first-time adoption exemptions applied. And identifies the non-cash accounting IFRS transition adjustments recorded at December 31, 2010.

Under pre-conversion Canadian GAAP, the Company considered its Colombian subsidiary to be an integrated foreign operation and as such the financial statements of the subsidiary were translated using the temporal method. Under this method, monetary items of the Colombian subsidiary were translated into Canadian dollars at exchange rates prevailing at the balance sheet date, non-monetary items were translated at exchange rates prevailing when the assets were acquired or obligations incurred, and revenue and expense items were translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translation were included in operations.

The Canadian dollar is considered to be both the presentation currency of the consolidated entity as well as the functional currency of the Canadian parent. The functional currency of the Colombian subsidiary is the Colombian peso. As such under IFRS the translation of foreign operation financial statements at each balance sheet date for consolidation purposes is translated as follows: assets and liabilities are translated at the closing rate at the date of that balance sheet; income and expenses are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are recognized as other comprehensive income.

The conversion to IFRS has had a low impact on the financial record keeping, internal controls and financial disclosures of the Company due to the exploration stage of its business. However in preparing the Company's opening January 1, 2010 IFRS financial statements, the Company adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP as follows:

Balance as at December 31, 2010:	
Total mining claims and deferred exploration costs under Canadian GAAP	$ 574,147
Adjustment – foreign currency arising from translation	(8,048)
Total mining claims and deferred exploration costs under IFRS	$ 566,099

Balance as at December 31, 2010:	
Total accumulated OCI under Canadian GAAP	$ -
Adjustment – foreign currency arising from translation	(8,048)
Total foreign currency translation reserve under IFRS	$ (8,048)

Balance as at December 31, 2010:	
Other comprehensive loss under Canadian GAAP	$ -
Adjustment – cumulative translation adjustment	(8,048)
Other comprehensive loss under IFRS	$ (8,048)

Balance at December 31, 2010:	Pre-Conversion Canadian GAAP	Foreign Currency adjustment arising from translation	Restated IFRS amount
Total assets	$ 1,009,550	$ (8,048)	$ 1,001,502
Total equity	37,870	(8,048)	29,822
Total liabilities and equity	$ 1,009,550	$ (8,048)	$ 1,001,502

The post-implementation phase will involve continuous monitoring of changes in IFRS in future periods. In particular the International Accounting Standards Board is currently working on an extractive industries project, which could significantly impact the Company's financial statements primarily in the areas of capitalization of exploration costs and disclosures.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new standards and amendments are effective for annual periods beginning on or after January 1, 2013 unless otherwise noted with earlier application permitted. The Company has not yet assessed the impact of these amendments and standards or determined whether it will early adopt them:

New standard IFRS 9 "Financial Instruments"
This new standard is a partial replacement of International Accounting Standards ("IAS") 39 "Financial Instruments: Recognition and Measurement". IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. This new standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted.

New standard IFRS 10 "Consolidated Financial Statements"
This standard supercedes IAS 27, "Consolidated and Separate Financial Statements", and establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

New standard IFRS 11 "Joint Arrangements"
This standard supercedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities-Non-monetary Contributions by Venturers", and establishes principles for financial reporting by parties to a joint arrangement.

New standard IFRS 12 "Disclosure of Interest in Other Entities"
This is a new standard which applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

New standard IFRS 13, Fair Value Measurement
This is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

Amended standards
There have been amendments to existing standards, including IAS 27, Separate Financial statements and IAS 28, Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

IAS 19, Employee Benefits
This standard has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits including redefining short term and other long-term benefits, guidance on the treatment of taxes related to benefit plans, guidance on risk/cost sharing features, and expanded disclosures.

IAS 1, Presentation of Financial Statements
This standard has been amended to require entities to separate items presented in Other Comprehensive Income ("OCI") into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted.

IFRS 7, Financial Instruments: Disclosures,
This standard has been amended to include additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. The amendment is applicable for annual periods beginning on or after July 1, 2011, with earlier application permitted.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, other receivables, and accounts payable and accrued liabilities. Management believes that as at December 31, 2011 it is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Company's currency risk is presently limited to approximately $10,000 of financial assets and liabilities denominated in US dollars and $79,000 denominated in Colombian pesos ("COP"). Future changes in exchange rates could have a material effect on the Company's business, financial condition and results of operations.

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash to meet its liabilities when due, under both normal and stressed conditions. As at December 31, 2011 the Company had cash of $998,808 and working capital of $1,028,082 which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding. The Company has announced its intention to undertake a non-brokered private placement in order to have sufficient capital to meet its financial obligations. There is no assurance that funds will be received from this or future financings and Management is currently considering other financing alternatives as well as cost reduction measures.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the

Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated audited financial statements and this accompanying MD&A as at December 31, 2011 (together the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include: the Company may not be able to find and develop reserves economically, the Company cannot guarantee title to its properties, the Company may have difficulty in marketing production and services, the Company must manage changing governmental law and regulations, the Company may have difficulty in hiring and retaining skilled employees and contractors, there are significant risks and hazards related to mining that are beyond the Company's control, there is no assurance that the Company will acquire additional mineral properties and any acquisitions may expose the Company to new risks, and the mining industry is intensely competitive for the acquisition of new properties, access to capital and hiring of skilled personnel. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.

Financial risks include commodity prices, interest rates and fluctuating foreign exchange rates, all of which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

Regulatory risks include the possible delays in getting regulatory approval to, and permits for, the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company has not had significant revenue from operations in either of its last two financial periods, the following is a breakdown of the material costs incurred:

	Year Ended December 31	
	2011	2010
Deferred exploration expenditures	1,515,433	566,099
Administrative expense	1,859,505	1,957,884

Administrative expenses are provided by category of major expense items in the Consolidated Statements of Comprehensive Loss included in the audited financial statements for the year ended December 31, 2011.