(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2012 and 2011
(Expressed in Canadian dollars)

April 29, 2013

Independent Auditor's Report

To the Shareholders of Samaranta Mining Corporation

We have audited the accompanying consolidated financial statements of Samaranta Mining Corporation ("the Company") which comprise the consolidated statements of financial position as at December 31, 2012 and December 31, 2011 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2012 and December 31, 2011 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the financial statements which discloses matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	**December 31, 2012**	December 31, 2011
Assets		**$**	$
Current assets			
Cash and cash equivalents		**396,088**	1,016,058
HST receivable		**19,988**	81,515
Other receivables	4	**-**	187,084
Prepaid expenses and deposit		**10,914**	32,200
		426,990	1,316,857
Non-current assets			
Mining claims and deferred exploration costs	5	**1,618,415**	1,515,433
Equipment	6	**29,723**	31,763
Total assets		**2,075,128**	2,864,053
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	**144,156**	255,427
		144,156	255,427
Equity			
Share capital	7	**12,111,520**	11,607,548
Contributed surplus		**948,676**	904,757
Deficit		**(11,132,417)**	(9,882,585)
Foreign currency translation reserve		**3,193**	(21,094)
		1,930,972	2,608,626
Total liabilities and equity		**2,075,128**	2,864,053

Corporate information and going concern – Note 1
Commitments and contingencies – Notes 4, 5, 7, 13 and 14
Events after the reporting period – Note 14

Approved on behalf of the Board of Directors on April 25, 2013

"Hans Rasmussen"	***"Dan Fish"***
Director	Director

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

SAMARANTA MINING CORPORATION

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Notes	Years ended December 31 **2012**	2011
		$	$
Expenses			
Accounting and audit	8	**189,012**	162,695
Consulting fees	8	**76,469**	134,575
Depreciation		**13,449**	11,077
Legal fees		**166,214**	208,957
Management fees	8	**176,707**	96,000
Office and administration		**220,107**	210,629
Project generation recovery		**-**	(22,037)
Rent		**102,143**	102,120
Share-based compensation		**8,191**	726,910
Transfer and filing fees		**33,240**	26,701
Travel		**148,119**	201,878
Write-down of mining claims		**108,091**	41,572
Loss from operations for the year		**(1,241,742)**	(1,901,077)
Other income (expense)			
Interest		**2,791**	9,698
Fees associated with reorganization	15	**-**	(160,000)
Share-based payment on reorganization	15	**-**	(3,111,391)
Other expenses		**(11,321)**	-
Foreign currency gain		**440**	1,950
Net loss for the year		**(1,249,832)**	(5,160,820)
Other comprehensive income (loss)			
Cumulative translation adjustment		**24,287**	(13,046)
Comprehensive loss for the year		**(1,225,545)**	(5,173,866)
Basic and diluted net loss per share		**$ (0.03)**	$ (0.17)
Weighted average number of shares outstanding		**38,857,147**	29,824,643
Number of common shares as at December 31			
Fully paid and outstanding		**48,782,147**	36,872,147
Potentially dilutive options and warrants outstanding		**22,117,500**	9,147,320

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

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Years ended December 31	
	2012	2011
Operating activities	**$**	**$**
Net loss for the year	**(1,249,832)**	(5,160,820)
Add items not affecting cash:		
Depreciation	**13,449**	11,077
Share-based compensation	**8,191**	726,910
Shares issued in exchange for services	**-**	40,438
Share-based payment on reorganization	**-**	3,111,391
Write-down of mining claims	**108,091**	41,572
	(1,120,101)	(1,229,432)
Changes in non-cash operating working capital:		
HST receivable	**61,527**	(26,052)
Other receivables	**187,084**	(187,084)
Prepaid expenses and deposit	**21,286**	76,577
Accounts payable and accrued liabilities	**(111,271)**	(872,378)
Net cash used in operating activities	**(961,475)**	(2,238,369)
Investing activities		
Deferred exploration costs	**(176,555)**	(868,399)
Purchase of equipment	**(10,965)**	(12,128)
Net cash used in investing activities	**(187,520)**	(880,527)
Financing activities		
Proceeds from issuance of shares, net of share issue expense	**539,700**	3,841,190
Funds provided from Legion transaction	**-**	41,011
Net cash from financing activities	**539,700**	3,882,201
Foreign exchange effect on cash	**(10,675)**	(13,046)
(Decrease) increase in cash during the year	**(619,970)**	750,259
Cash and cash equivalents – Beginning of year	**1,016,058**	265,799
Cash and cash equivalents – End of year	**396,088**	1,016,058
Cash and cash equivalents are comprised of:		
Cash at bank	**378,838**	93,156
Short-term bank deposits	**17,250**	922,902
	396,088	1,016,058
Non-cash items excluded from financing activities:		
Warrants issued as share issue expense	**35,728**	142,000

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

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Common Shares		Class C Super Voting shares		Subscription Received In Advance	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Deficit	Total Shareholders' Equity
	Number	$	Number	$	$	$	$	$	$
Balance, December 31, 2010	97,834,368	4,653,737	500,000	50	70,000	35,848	(8,048)	(4,721,765)	29,822
Issuance of shares for cash	27,635,319	4,333,060	-	-	(70,000)	-	-	-	4,263,060
Shares issued for services	808,750	40,438	-	-	-	-	-	-	40,438
Share issue expense - cash	-	(421,820)	-	-	-	-	-	-	(421,820)
Share issue expense - broker compensation warrants	-	(142,000)	-	-	-	142,000	-	-	-
Shares cancelled	-	-	(500,000)	(50)	-	-	-	-	(50)
Shares exchanged on 6.5:1 basis	(98,389,513)	-	-	-	-	-	-	-	-
Issue of shares for Legion net assets	8,983,223	3,144,133	-	-	-	-	-	-	3,144,133
Share-based compensation	-	-	-	-	-	726,909	-	-	726,909
Net loss for the year	-	-	-	-	-	-	-	(5,160,820)	(5,160,820)
Currency translation adjustment	-	-	-	-	-	-	(13,046)	-	(13,046)
Balance, December 31, 2011	36,872,147	11,607,548	-	-	-	904,757	(21,094)	(9,882,585)	2,608,626
Issuance of shares for cash	11,910,000	595,500	-	-	-	-	-	-	595,500
Share issue expense - cash	-	(55,800)	-	-	-	-	-	-	(55,800)
Share issue expense - broker compensation warrants	-	(35,728)	-	-	-	35,728	-	-	-
Share-based compensation	-	-	-	-	-	8,191	-	-	8,191
Net loss for the year	-	-	-	-	-	-	-	(1,249,832)	(1,249,832)
Currency translation adjustment	-	-	-	-	-	-	24,287	-	24,287
Balance, December 31, 2012	48,782,147	12,111,520	-	-	-	948,676	3,193	(11,132,417)	1,930,972

Note 1 Corporate Information and Going Concern

Samaranta Mining Corporation ("Samaranta" or "the Company") was incorporated pursuant to the Canada Business Corporations Act on February 5, 2008 and is in the business of acquiring, exploring and developing mineral properties. The Company is listed on the TSX Venture Exchange and currently is in the exploration stage with interests in mineral properties in Canada and Colombia. The Company's registered and records office is located at #4006 - 1011 West Cordova Street, Vancouver, BC, Canada, V6C 0B2.

The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, future profitable production or disposition thereof, and the ability of the Company to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

These consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the year ended December 31, 2012, the Company incurred a loss of $1,249,832 and the accumulated deficit as at December 31, 2012 was $11,132,417. As at December 31, 2012, the Company had working capital of $282,834, which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding. These conditions cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Note 2 Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Company's Board of Directors on April 25, 2013.

Note 3 Significant Accounting Policies

a) Basis of Measurement

The financial statements have been prepared on the going concern basis, under the historical cost convention.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and all subsidiaries subject to control by the Company, which include its wholly owned Colombian subsidiary, Grupo Mineros del Caribe, S. A. S. ("Grupo") incorporated on April 19, 2010, under the laws of Colombia. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances have been eliminated upon consolidation.

c) Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements are made in particular with regard to the assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year, assessment of impairment to the carrying value of mineral properties, and the assumptions used in calculating the fair value of warrants and share-based payments.

d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the chief executive officer of the Company

e) Foreign Currency Translation

Functional and presentation currency
The financial statements are presented in Canadian dollars which is also the functional currency of the Canadian parent. The functional currency of the Colombian subsidiary is the Colombian peso. The subsidiary's assets and liabilities are translated into Canadian dollars at the closing rate at each period end, and its income and expenses at the average rate for the period as this is considered a reasonable approximation of the actual rates prevailing at the transaction dates. All resulting changes are recognized in other comprehensive income as cumulative translation adjustments.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the entity's functional currency are recognized in the statement of loss in "other income or loss".

f) Cash and Cash Equivalents

Cash and cash equivalents are unrestricted as to use and consist of cash on hand, demand deposits and short term interest bearing investments with maturities of 90 days or less from the original date of acquisition and which can be readily be liquidated to known amounts of cash and are subject to an insignificant risk of change in value.

Redeemable interest bearing investments with maturities of up to one year are considered cash equivalents if they can readily be liquidated at any point in time to known amounts of cash, the initial period subject to an interest penalty on redemption is less than 90 days, and they are redeemable thereafter until maturity for invested value plus accrued interest.

g) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company classifies its financial instruments as available-for-sale, loans and receivables and non-derivative financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

i. Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories and are recognized initially at fair value plus transaction costs and then subsequently carried at fair value. Gains or losses arising from remeasurement are recognized in other comprehensive income. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the statement of loss and are included in "other income and loss". Available-for-sale investments are classified as noncurrent, unless an investment matures within twelve months, or management expects to dispose of it within twelve months. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial assets, a significant and prolonged decline in the value of the instrument is considered to determine whether any impairment has arisen.

ii. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise cash and cash equivalents and are included in current assets due to their short-term nature. Loans and receivables

are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

iii. Non-derivative financial liabilities include trade payables and accrued liabilities. Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current.

h) Mining Claims and Deferred Exploration Costs

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the mineral properties contain any reserves.

Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of writedowns and recoveries, and are not intended to represent present or future values.

i) Rehabilitation Provision

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated.

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred and capitalizes this by increasing the carrying amount of the related property. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration site. As at December 31, 2012, the Company does not require a rehabilitation provision.

j) Equipment

Equipment is carried at cost. Amortization is computed using the declining-balance method at a rate of 30% for computer equipment, 30% for machinery and equipment, and 20% for furniture.

k) Other Liabilities

Provisions for restructuring costs, warranties and legal claims are recognized in other liabilities when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted where the effect is material.

l) Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognized for all taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and for the carry forward of unused tax losses and credits. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

m) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

n) Basic and Diluted Loss per Share

Basic earnings or loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding during the relevant period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. The Company's potentially dilutive common shares comprise stock options granted to employees and consultants and warrants.

o) Share Based Payments

The Company grants stock options to certain employees and consultants with options vesting in tranches. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. As the Company did not have sufficient share trading history the expected volatility was determined by measuring the historical volatility of five other companies which were similar in nature for the same time period as the length of the option period.

Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. This number is reviewed at least annually, with any change in estimate recognized immediately in compensation expense with a corresponding adjustment to contributed surplus.

p) Accounting Standards and Amendments Issued but Not Yet Adopted

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments.

i. IFRS 9, *Financial Instruments*, replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This new standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted.

ii. IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation – Special Purpose Entities* and parts of IAS 27, *Consolidated and Separate Financial Statements*.

iii. IFRS 11, *Joint Arrangements*, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities – Non-monetary Contributions by Venturers*.

iv. IFRS 12, *Disclosure of Interests in Other Entities*, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. 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.

v. IFRS 13, *Fair Value Measurement*, 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.

vi. IAS 1, *Presentation of Financial Statements*, has been amended to require entities to separate items presented in 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.

Note 4 Other Receivables

	December 31, 2012	December 31, 2011
	$	$
Proceeds receivable from sale of shares in subsidiary	**-**	180,000
Other	**-**	7,084
	-	187,084

Effective October 1, 2011 and amended October 21, 2011 and November 8, 2012, 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").

The initial payment of $180,000 due on signing consisting of $125,000 plus a $55,000 recovery of costs associated with the acquisition of the property was recorded as a receivable as the funds were held in escrow pending confirmation of the initial GGR share transfer of 3.5%. During the year ended December 31, 2012 the share transfer was completed and the cash and shares payment was received. The fair value of the Siguiri shares was determined to be nil due to the early stage of development of the property and because the fair value of the Siguiri shares could not be reliably determined. 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 1, 2011	125,000	100,000		3.5%	3.5%
July 31, 2013			300,000		3.5%
December 31, 2013		200,000	200,000	14.5%	18%
December 31, 2014		200,000	1,000,000	31.5%	49.5%
December 31, 2015		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

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% net smelter royalty ("NSR") on the property, 1% of which may be purchased at any time by SMG for $1,000,000.

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2012 and 2011
(Expressed in Canadian dollars)

Note 5 Mining Claims and Deferred Exploration Costs

	December 31, 2012	December 31, 2011
	$	$
Easy Joe - Canadian property	**25,000**	25,000
Colombian properties	**1,593,415**	1,490,433
	1,618,415	1,515,433

Colombian and Guinean Properties	Guadalupe	Manila 2	Small Frontino	San Carlos	Other prospects	Total
	$	$	$	$	$	$
Deferred land and option payments (recoveries)						
Balance at December 31, 2010	188,645	-	126,952	-	-	315,597
Currency translation adjustment	(5,400)	-	8,048	-	-	2,648
Paid (recovered) in the year	548,941	-	(27,503)	-	162,111	683,549
Recovered on sale of Guinean subsidiary (Note 4)	-	-	-	-	(127,927)	(127,927)
Written down in year	-	-	-	-	(34,184)	(34,184)
Balance at December 31, 2011	732,186	-	107,497	-	-	839,683
Currency translation adjustment	19,175	-	-	-	-	19,175
Balance at December 31, 2012	751,361	-	107,497	-	-	858,858
Deferred exploration expenditures						
Balance at December 31, 2010	177,547	15,930	-	57,025	-	250,502
Currency translation adjustment	(32)	-	-	(362)	-	(394)
Incurred during the year						
Geological consulting	206,612	-	7,613	7,769	6,250	228,244
Equipment	12,006	7,454	-	-	4,000	23,460
Field work and other expenses	15,342	-	4,569	-	-	19,911
Surveying	129,487	-	-	-	-	129,487
Travel and accommodation	7,392	-	703	1,365	7,718	17,178
	370,839	7,454	12,885	9,134	17,968	418,280
Recovered on sale of subsidiary (Note 4)	-	-	-	-	(10,250)	(10,250)
Written down in year	-	-	-	-	(7,388)	(7,388)
Balance at December 31, 2011	548,354	23,384	12,885	65,797	330	650,750
Currency translation adjustment	13,912	-	932	490	9	15,343
Geological consulting	130,229	-	1,381	-	18,081	149,691
Travel and accommodation	26,864	-	-	-	-	26,864
Written down in year	-	(23,384)	-	(66,287)	(18,420)	(108,091)
Balance at December 31, 2012	719,359	-	15,198	-	-	734,557
Total at December 31, 2012	1,470,720	-	122,695	-	-	1,593,415

a) Guadalupe, Colombia Mineral Property

The Guadalupe property comprises 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. 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 paid of US$700,000 and a surface rental and environmental insurance policy payment of $14,204.

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% 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.

b) Manila 2, Colombia Mineral Property

Pursuant to a mining concessions assignment agreement dated May 31, 2010, the Company had 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$104,500 due on future Colombian regulatory approval dates. The Manila 2 property was subject to a variable 1% to 4% NSR on all non-alluvial production, with actual NSR rates dependent upon the US$ price of gold. The alluvial mining extraction rights relating to the Manila 2 property remained with the vendor, subject to a variable 1% to 4% NSR in favour of the Company. During the year ended December 31, 2012, management decided it would no longer pursue this property, and accordingly the mining claims expired and costs incurred to date of $23,384 were written down to nil.

c) Small Frontino Mineral Property Claims

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 the Small Frontino properties in exchange for a cash payment of US$135,000.

d) San Carlos, Colombia Mineral Property

During the year ended December 31, 2012, management decided it would no longer pursue this property, and accordingly the costs incurred to date of $66,287 were written down to nil.

e) Segovia Tailings Joint Venture Agreement

On July 27, 2012, the Company entered into an agreement (the "JVA") with Sociedad Minera Medio Ambiental Y Ecologica "Oro Solido" Sociedad Por Acciones Simplificada Sas ("Sociedad Minera"), to evaluate, and if deemed economic, re-process certain mine tailings located in Segovia, Antioquia, Colombia ("the Tailings").

Under the terms of the JVA, Sociedad Minera, who was awarded by the Municipality of Segovia in January 2012 the exclusive right to reprocess and treat the Tailings, granted Samaranta the exclusive right to reprocess the Tailings, subject to completion of due diligence.

Subsequent to the year ended December 31, 2012, the Company engaged an international law firm to review the JVA. A final legal report was received on February 20, 2013, which concluded that the contract was invalid as it did not comply with Colombian mining laws. Consequently, the Company will not be proceeding with the Segovia Joint Venture Tailings project. Samarium Group Systems & Research (Note 8) was paid a finder's fee of $55,828 plus HST for arranging the project and management is reviewing possible recourses to this payment with legal counsel. During the year ended December 31, 2012, the costs incurred to date on the project of $18,081 were written down to nil.

Note 6 Equipment

Equipment consists of the following:

	Furniture	Equipment	Computer Equipment	Total
Cost	$	$	$	$
Balance at December 31, 2010	1,252	-	47,053	48,305
Additions	5,826	-	6,302	12,128
Balance at December 31, 2011	7,078	-	53,355	60,433
Additions	989	3,220	6,756	10,965
Currency translation adjustment	434	38	190	662
Balance at December 31, 2012	8,501	3,258	60,301	72,060
Accumulated depreciation				
Balance at December 31, 2010	350	-	17,282	17,632
Depreciation	1,345	-	9,693	11,038
Balance at December 31, 2011	1,695	-	26,975	28,670
Depreciation	1,828	1,275	10,346	13,449
Currency translation adjustment	111	19	88	218
Balance at December 31, 2012	3,634	1,294	37,409	42,337
Net book value				
December 31, 2011	5,383	-	26,380	31,763
December 31, 2012	4,867	1,964	22,892	29,723

Note 7 Share Capital

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

a) Common Shares Issued

On February 11, 2011, 508,750 pre-consolidation shares valued at $0.05 per share were issued in exchange for consulting services provided during the 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 of $70,000 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. These warrants expired on February 17, 2012. Share-based compensation of $28,000 arising from the issue of these compensation warrants was charged to share issue costs and credited to contributed surplus.

For purposes of the calculations of compensation charge associated with agent's units granted, the following assumptions were used for the Black-Scholes model.

Risk-free interest rate	2.35%
Expected life	1 year
Expected volatility	95%
Expected dividends	$nil

On May 20, 2011, the Company which had previously been privately held completed a Plan of Arrangement ("the Plan") with Legion Resources Corp. ("Legion"), a publicly traded Canadian company, to effect an amalgamation of the two companies under the name "Samaranta Mining Corporation" ("Amalco"). Pursuant to the Plan, holders of Legion shares received one share of Amalco for every four Legion shares held, and holders of Samaranta shares received one share of Amalco for every six and a half Samaranta shares held resulting in Legion shareholders holding approximately 33% and Samaranta shareholders holding approximately 67% of Amalco. As such the merger constituted a "reverse takeover" with Samaranta identified as the acquirer for accounting purposes.

On May 20, 2011 after completion of the merger with Legion, the Company 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 entitled the holder thereof to purchase one common share at $0.50 per share until expiry on May 20, 2013. In April 2012, the Company amended the exercise price of these 5,000,000 warrants from $0.50 to $0.12 per warrant. The Company allocated $3,500,000 of the total proceeds to the common shares and a nominal amount to the attached warrants. In connection with the private placement, finder's fees were paid consisting of cash of $340,000 and 800,000 share purchase warrants. Share-based compensation of $114,000 arising from the issue of these compensation warrants has been charged to share issue costs and credited to contributed surplus.

For purposes of the calculations of compensation charge associated with agent's warrants granted, the following assumptions were used for the Black-Scholes model:

Risk-free interest rate	1.66%
Expected life	2 years
Expected volatility	94%
Expected dividends	$nil

On October 31, 2012, the Company closed a private placement of 11,910,000 units at a price of $0.05 per unit for gross proceeds of $595,500. Each unit is comprised of one share and one share purchase warrant with each warrant entitling the holder to acquire an additional share of the Company at a price of $0.05 until October 31, 2013 and $0.10 thereafter until expiry on October 31, 2017. The Company allocated $595,500 of the total proceeds to the common shares and a nominal amount to the attached warrants. Pursuant to the terms of this financing, the Company paid a finder's fee comprised of $55,800 in cash and by the issue of 1,110,000 finder's warrants, each finder's warrant having terms identical to warrants issued pursuant to the private placement. Share-based compensation of $35,728 arising from the issue of these compensation warrants has been charged to share issue costs and credited to contributed surplus.

For purposes of the calculations of compensation charge associated with agent's warrants granted, the following assumptions were used for the Black-Scholes model:

Risk-free interest rate	0.78% - 1.63%
Expected life	1 - 5 years
Expected volatility	81 % - 104%
Expected dividends	$nil

At December 31, 2012 there are 463,500 issued common shares which are subject to escrow restrictions.

b) Class C Super Voting Shares

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

c) Stock Options

During the years ended December 31, 2012 and 2011, the Company recorded share-based compensation of $8,191 and $726,910 respectively, in relation to options issued.

On April 16, 2012, the Company granted 150,000 options to a consultant, exercisable at $0.16 per share with a ten year expiry. These options vest equally at three month intervals over one year. The fair value of these share purchase options is estimated using the Black-Scholes option valuation model with the following assumptions:

Risk-free interest rate	1.54%
Expected life	10 years
Expected volatility	108%
Expected dividends	$nil

A summary of the status of the stock option plan is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2010 (adjusted for post-consolidation)	362,500	$0.60
Granted	2,785,000	$0.35
Balance December 31, 2011	3,147,500	$0.38
Granted	150,000	$0.16
Balance, December 31, 2012	3,297,500	$0.37
Unvested	37,500	$0.16
Exercisable, December 31, 2012	3,260,000	$0.37

Details of stock options outstanding as at December 31, 2012 are as follows:

Number of Shares	Exercise Price	Expiry Date
312,500 [(1)]	$0.600	May 13, 2015
25,000 [(1)]	$0.600	June 29, 2015
25,000 [(1)]	$0.600	July 27, 2015
2,570,000 [(2)]	$0.350	May 20, 2016
185,000 [(1)]	$0.355	June 7, 2016
30,000 [(1)]	$0.350	October 4, 2016
150,000	$0.160	April 16, 2022
3,297,500		

(1) All of these stock options were forfeited subsequent to the year ended December 31, 2012.
(2) 2,510,000 of these stock options were forfeited subsequent to the year ended December 31, 2012.

The weighted average remaining contractual life of the outstanding options is 3.55 years.

d) Share Purchase Warrants

A summary of the status of the share purchase warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2010 (adjusted for post-consolidation)	356,865	$0.32
Issued (adjusted for re-pricing)	5,800,000	$0.17
Expired	(157,045)	$0.32
Balance, December 31, 2011 (adjusted for re-pricing)	5,999,820	$0.18
Issued	13,020,000	$0.05
Expired	(199,820)	$0.32
Balance at December 31, 2012	18,820,000	$0.09

Details of share purchase warrants outstanding as at December 31, 2012 are as follows:

Number of Shares	Exercise Price	Expiry Date
5,000,000	$0.12 (1)	May 20, 2013
800,000	$0.50	May 20, 2013
13,020,000	$0.05 (2)	October 31, 2017
18,820,000		

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

(2) These warrants are exercisable at $0.05 until October 31, 2013 and $0.10 thereafter until expiry on October 31, 2017.

The weighted average remaining contractual life of the outstanding warrants is 3.46 years.

Note 8 Related Party Transactions

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

	Years ended December 31,	
	2012	2011
	$	$
Accounting	**124,088**	130,989
Consulting	**7,000**	23,000
Management fees to key management	**176,707**	96,000
	307,795	249,989

Transactions with related parties are recorded at the exchange amount, being the price agreed between the parties. Accounts payable and accrued liabilities at December 31, 2012 includes $12,161 (2011 – $nil) due to a company controlled by a director, and a company controlled by a now former director and with which a now former officer is associated.

Key management of the Company includes the President, Chief Financial Officer and the directors. On July 16, 2012, the Company entered into two employment agreements with its former Vice-President of Exploration and Development, whereby it would pay maximum consulting fees of $8,000 per month up until July 31, 2012 and $10,000 per month thereafter until December 31, 2013. The employment agreements were terminated subsequent to the year ended December 31, 2012. Compensation in respect of services provided by key management also consisted of accounting and consulting fees paid to a company controlled by a now former director and with which a now former officer is associated. During the year ended December 31, 2011, 2,450,000 stock options were issued to management and directors for which share-based compensation of $661,595 was recorded. Other than these amounts there were no other transactions with related parties or other compensation paid or payable to key management for employee services for the reported periods.

Note 9 Segmented Information

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral properties for development. Segmented information is provided on the basis of geographic segments consistent with its operations as follows:

	Year ended December 31, 2012		
	Canada	Colombia	Total
	$	$	$
Net loss for the year	(1,050,840)	(198,992)	(1,249,832)
Current assets	417,673	9,317	426,990
Mining claims and deferred exploration costs	25,000	1,593,415	1,618,415
Equipment	18,641	11,082	29,723
Total Assets	461,314	1,613,814	2,075,128

	Year ended December 31, 2011		
	Canada	Colombia	Total
	$	$	$
Net loss for the year	(5,015,698)	(145,122)	(5,160,820)
Current assets	1,289,355	27,502	1,316,857
Mining claims and deferred exploration costs	25,000	1,490,433	1,515,433
Equipment	26,008	5,755	31,763
Total Assets	1,340,363	1,523,690	2,864,053

Included in the net loss during the year ended December 31, 2012 was interest revenue of $2,471 (2011 – $9,305) in Canada and $320 (2011 – $393) in Colombia, and depreciation of $7,730 (2011 – $9,404) in Canada and $5,719 (2011 – $1,673) in Colombia.

Note 10 Income Taxes

The income taxes provision differs from the amounts that would result from applying the Canadian Federal and Provincial income tax rates before tax due to the following:

	Years ended December 31,	
	2012	2011
Tax rate	**25%**	26.5%
Loss before income tax	**(1,249,832)**	(5,160,820)
Recovery of income taxes at applicable rates	**(312,000)**	(1,368,000)
Non-deductible (non-taxable) amounts	**13,000**	1,117,000
Change due to differences in tax rates	**106,000**	-
Change in non-recognized deferred tax assets	**193,000**	251,000
Income tax provision	**-**	-

Deferred income taxes arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The income tax benefit of the following tax assets has not been recorded in these financial statements because of the uncertainly of their recovery:

	Years ended December 31,	
	2012	2011
	$	$
Deferred income tax assets		
Share issue and reorganization costs	**153,000**	54,000
Mining claims and deferred exploration costs	**1,258,000**	1,337,000
Capital losses	**387,000**	410,000
Operating loss carry-forwards	**2,288,000**	2,092,000
Unrecognized deferred income tax assets	**4,086,000**	3,893,000

During the year ended December 31, 2011, the Company amalgamated with Legion and the existing tax balances of Legion were transferred to the Company at that time. At the date of amalgamation Legion had accumulated future income tax assets relating to these tax balances of approximately $410,000 relating to capital losses, $918,000 relating to non-capital losses and $719,000 relating to resource related deductions. The Company did not recognize the benefit of these and its own existing deferred income tax assets as it was considered more likely than not that sufficient taxable income will not be generated during the carryforward periods to utilize the deferred tax assets.

At December 31, 2012, the Company has accumulated capital losses of approximately $1,548,000, non-capital losses totalling approximately $9,130,000 in Canada. In addition, the Company has tax losses for Colombian purposes of COP$632,265,000 ($343,000) and resource related deductions of $5,032,000 potentially available to offset against future years' taxable income in Colombia. The non-capital losses expire as follows:

Year ending December 31	Total
	$
2014	497,000
2015	355,000
2026	339,000
2027	595,000
2028	1,218,000
2029	1,389,000
2030	2,206,000
2031	1,451,000
2032	1,080,000
	9,130,000

Note 11 Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on private investors as its primary source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements imposed by a regulator. Additional information regarding capital management is disclosed in Note 1.

Note 12 Financial Instruments

a) Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, investment in Siguiri, and accounts payable and accrued liabilities. Cash and cash equivalents, and accounts payable and accrued liabilities are measured at their amortized cost, which approximates their fair value due to their short-term nature. The investment in Siguiri is measured at fair value.

The Company has classified the fair value of the financial assets according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The investment in Siguiri is classified as level 3 in the hierarchy and determined to have a fair value of zero as at December 31, 2012.

b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its commercial obligations. The majority of the Company's cash is held through a major Canadian chartered bank. The Company's maximum exposure to credit risk is the carrying amount of its financial assets.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss is limited because at present the Company holds all of its surplus cash in an interest bearing account with no other interest bearing financial assets or liabilities.

d) Liquidity Risk

The Company manages liquidity risk by, to the best of its ability, maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 11 of these consolidated financial statements. Accounts payable and accrued liabilities are due within the current operating period. Additional information relating to liquidity risk is disclosed in Note 1.

Note 13 Contingencies

On March 4, 2013 a notice of civil claim against the Company was filed with the Supreme Court of British Colombia by a former director/consultant of the Company claiming an amount of $133,096.50 for unpaid fees and expenses. The Company has not yet been served with this notice, as is required by law, and therefore has not had the ability to respond. At such time as the Company is served with the notice of civil claim, it intends to vehemently dispute the claim as the director/consultant was terminated for just cause.

Note 14 Subsequent Events

Subsequent to the year ended December 31, 2012, Company engaged an international law firm to review the JVA (see Note 5(e)). A final legal report was received on February 20, 2013, which concluded that the contract was invalid as it did not comply with Colombian mining laws. Consequently, the Company will not be proceeding with the Segovia Joint Venture Tailings project. Samarium Group Systems & Research was paid a finder's fee of $55,828 plus HST for arranging the project and management is reviewing possible recourses to this payment with legal counsel.

Subsequent to the year ended December 31, 2012, the Company terminated the employment agreements with its former Vice-President of Exploration and Development (see Note 8).

Note 15 Reverse Takeover of Legion Resources Corp.

On May 20, 2011, Samaranta completed the Plan with Legion to effect an amalgamation of the two companies. Pursuant to the Plan, holders of Legion shares received one share of Amalco for every four Legion shares held, and holders of Samaranta shares received one share of Amalco for every six and a half Samaranta shares held resulting in Legion shareholders holding approximately 33% and Samaranta shareholders holding approximately 67% of Amalco.

These consolidated financial statements have been prepared on the basis that the transaction constitutes the issuance of shares by Samaranta for Legion's net monetary assets, accompanied by a recapitalization of Samaranta. Since Legion does not meet the definition of a business under IFRS 3, *Business Combinations*, the transaction is considered to be capital in substance rather than a business combination. As such Samaranta has accounted for the transaction as a reverse takeover ("RTO") with Samaranta identified as the acquirer for accounting purposes, where no goodwill or intangible asset representing the stock exchange listing has been recorded. As a result of the accounting treatment for the RTO, Legion's operating results before the takeover are not included in these statements. The fair value of consideration for the Legion assets acquired was based on the value of Samaranta common shares issued in exchange. Accordingly the total purchase price was calculated and allocated as follows:

	$
Fair Value of Shares Issued on RTO	
Common Shares (8,983,223 at $0.35 per share)	3,144,133
Exchange of Options (362,500 exercisable at $0.60 per share)	-
	3,144,133
Net Identifiable Assets Acquired	
Cash	33,799
HST and other receivables	32,532
Deferred Easy Joe mineral property acquisition costs	25,000
Accrued liabilities	(58,589)
	32,742
Share-based payment on reorganization charged to loss	3,111,391
	3,144,133