SAMARANTA
MINING CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended December 31, 2012
Report dated April 29, 2013

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INTRODUCTION

The following information, prepared as of April 29, 2013, 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, 2012. The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

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 Mining Corporation 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, pursuant to which Legion and Samaranta agreed to merge the companies under the name "Samaranta Mining Corporation" ("Amalco"). 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

In July 2012, Mr. Gunther Roehlig was appointed interim CEO and President replacing Mr. Volkmar Hable who, in an effort to increase management's presence in Colombia, was appointed as Executive Vice President, Mining and Exploration. On November 1, 2012, Mr. Hans Rasmussen was appointed as a director of the Company replacing Mr. Roehlig who continued to act as an officer of the Company.

On December 6, 2012, Mr. Dan Fish was appointed as the interim CEO and a director, and Mr. Nav Dhaliwal as an independent director of the Company. On the same day, Gunther Roelig resigned as the interim CEO of the Company, and Mr. Jim Walchuk and Mr. Robert McMorran resigned from the board of directors. Subsequent to the year ended December 31, 2012, the Company terminated the employment agreements with Volkmar Hable.

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 owns a 96.5% interest in Guinean Global Resources SA ("GGR") which has an 80% ownership interest in Group Guinea Investment SA ("GGI"), both Guinea, West Africa companies. Pursuant to an October 2011 share purchase option agreement, the Company has agreed to sell the Company's remaining shares in GGR in three tranches with final settlement expected October 1, 2014.

The Company also owns the mineral rights for one small property located in British Columbia, 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 a cash payment of US$700,000 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 net smelter royalty ("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.

Exploration

As at December 31, 2012 the Company has incurred $719,359 in exploration expenditures with respect to this property and $751,361 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 the Guadalupe property, but also covered three other small peripheral properties. 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 identify potential structures supportive of gold mineralization, identify areas of alteration possibly related to such structures and further define potential target areas for ground follow-up.

On May 10, 2012, the Company announced that a 13.5 line kilometer Induced Polarization ("IP") survey had been completed on the property. SJV Geophysics of Delta BC was contracted to run the survey to cover two discreet target areas. The survey was undertaken on East - West lines to best intersect regional N20E to N30E structural trends that host high grade vein mineralization that has been the focus of historic mining on contiguous claims.

The IP survey is intended to add further detail to the December 2011 geological - geophysical compilation report that generally identified the most prospective drill targets. Recent soil samples taken from the trench walls of test pits in select target areas returned anomalous gold-lead-zinc values from ten of twenty pits sampled. Given the limited outcrop in the general Segovia area the tightly spaced 3D IP survey was undertaken to help more precisely locate subsurface mineralized structures. Three conductors were identified, two of which may be related as both are associated with a mapped contact between a metamorphosed sedimentary unit and a felsic tuff. Both of these units are believed to be a veneer over a diorite intrusion. Gold mineralization at Frontino Gold Mines ("FGM"), which lies directly to the south of the Guadalupe property, is hosted in a diorite intrusion. Target Area 2, the southern most of the two conductors appears to be the most attractive.

Target Area 2

Target Area 2 includes the projected extensions of the Cristales and San Nicholas vein structures, both of which were the subject of historic mining efforts. Here, a strong chargeability anomaly with associated moderate resistivity low was identified. The anomaly coincides with an area where field mapping has identified hydrothermal alteration related to a mylonite. This priority target lies between the projected extension of the San Nicholas and Cristales veins. A quartz diorite unit has been mapped about 200 meters to the northwest of the conductor and a granodiorite unit that is known to host FGM style mineralization that lies about 200 meters South east of the conductor. Target area 2 was chosen as a priority drill target in a geological compilation report completed prior to the IP survey.

Middle Target Area

The Middle Target Area is a strong chargeability anomaly, the centre of which is approximately 700 meters north of the centre of Target Area 2. This target is also associated with a mapped contact between a metamorphosed sedimentary unit and a felsic tuff. Given both the Target Area 2 conductor and this Middle Target Area conductor(s) appear associated with the same geological contact and the two anomalies are separated by 400 metres and appear to be on trend with one and another, there may be an association between Target Area 2 conductor and the Middle Target Area conductor(s). This target lies along the general projection of the Cristales vein.

The combination of the IP survey, airborne magnetic/radiometric survey and geological compilation has identified several structural corridors believed to be prospective for gold mineralization. A soil geochemistry program is ongoing in the vicinity of Target Area 2. The intent of this soil geochemistry survey is to identify prospective areas for gold mineralization and eventually drilling.

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.

Segovia Tailings Project, Colombia

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, had 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 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 of $18,081 were written down to nil.

Manila 2 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 with actual NSR rates dependent upon the US$ price of gold.

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.

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

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.

Siguiri, West Africa Mineral Property

In June 2011, the Company acquired a 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 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, GGR.

The initial payment of $180,000 due on signing consisting of $125,000 plus $55,000 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% NSR on the property, 1% of which 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.

	2012 $	2011 $	2010 $
Loss for the year	(1,249,832)	(5,160,820)	(2,098,372)
Basic and diluted loss per share	(0.03)	(0.17)	(0.23)
Total assets	2,075,128	2,864,053	1,001,502
Cash dividends declared per share	-	-	-

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

RESULTS OF OPERATIONS

The Company did not record any revenues during the fiscal periods under review. The Company's cash position at December 31, 2012 was $396,088 contributing to working capital of $282,834.

The net loss for year ended December 31, 2012 of $1,249,832 represented expenditures incurred to maintain offices in both Colombia and Canada and ongoing efforts to continue the Company's exploration program.

The net loss for the comparative year ended December 31, 2011 of $5,160,820 also represented expenditures of a similar nature. However, the net loss for year ended December 31, 2011 also included $3,111,391 of share-based payment on reorganization and $160,000 of fees associated with the Plan's reorganization.

Total assets as at December 31, 2012 of $2,075,128 decreased from the December 31, 2011 amount of $2,864,053 due to administrative expenditures offset by further exploration on Guadalupe mineral property.

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

During the 2010 fiscal year, 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 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 presenting this quarterly review.

	Q4 - 2012 Dec 31, 2012 $	Q3 - 2012 Sept 30, 2012 $	Q2 - 2012 June 30, 2012 $	Q1 - 2012 March 31, 2012 $
Net loss for the period	(335,948)	(336,792)	(303,621)	(273,471)
Basic loss per share (note 1)	($0.01)	($0.01)	($0.01)	($0.01)
Total assets	2,075,128	1,901,340	2,224,308	2,497,485
Working capital	282,834	43,909	294,416	700,394

	Q4 - 2011 Dec 31, 2011 $	Q3 - 2011 Sept 30, 2011 $	Q2 - 2011 June 30, 2011 $	Q1 - 2011 March 31, 2011 $
Net loss for the period	(208,732)	(383,385)	(4,181,459)	(387,244)
Basic loss per share (note 1)	($0.01)	($0.01)	($0.21)	($0.02)
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)

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

Net Loss

The following table reflects the amount of normalized loss after excluding expenses arising from the Plan reorganization 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 $
Net loss before the following	(205,432)	(315,885)	(343,958)	(297,244)
Share-based payment on reorganization	-	-	(3,111,391)	-
Share-based payments for compensation	(3,300)	(67,500)	(656,110)	-
Fees associated with amalgamation	-	-	(70,000)	(90,000)
Net loss for the period	(208,732)	(383,385)	(4,181,459)	(387,244)

As per the above table, the amount of normalized loss was consistent between the four quarters ending in 2011 and with the four quarters ending in 2012.

The more significant expenses incurred in each of the 2011 and 2012 quarters included:

	Q4 - 2012 Dec 31, 2012 $	Q3 - 2012 Sept 30, 2012 $	Q2 - 2012 June 30, 2012 $	Q1 - 2012 March 31, 2012 $
Accounting and audit fees	45,720	36,225	67,759	39,308
Consulting	16,856	18,682	16,676	24,255
Legal	32,316	42,708	42,075	49,115
Office and administration	42,759	56,580	67,086	53,682
Travel	39,958	21,883	42,612	43,666

	Q4 - 2011 Dec 31, 2011 $	Q3 - 2011 Sept 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 and administration	54,933	51,092	67,675	36,929
Project generation (recovery)	(29,252)	-	(42,786)	50,001
Travel	35,086	66,801	52,523	47,468

Accounting and audit in Q2 – 2012 included fees for services provided as part of 2011’s annual audit. Q3 – 2011 included 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.

Consulting fees increased in Q3 – 2011 and Q1 – 2011 due to expertise required for Guinean and Colombian exploration as well as an increase in emphasis on investor relations and related subscriptions.

Legal expenses were incurred in the four quarters of 2012 and Q2 – 2011 for legal agreements required by the Company with respect to its mineral property interests as the Company pursued additional mineral property prospects and joint venture opportunities in Colombia and Guinea.

Office expenditures were consistent between the 2011 and 2012 quarters and relate to one office maintained in each of Canada and Colombia.

Pursuing the prospects also gave rise to project generation costs in Q1 – 2011 although some of these costs were later deferred to mineral properties in Q2 – 2011. Q4 – 2011 project recoveries arose from a reversal of amounts over-accrued in the prior year.

Travel expenses were incurred primarily for visits to Colombia and for meetings with potential investors by Company representatives.

Total assets

Total assets which had increased as a result of the Q2 – 2011 financing were drawn down in the most recent six quarters due to general and administrative expenses.

Working Capital

Working capital which had also improved with the Q2 – 2011 financing was drawn down in the six most recent quarters due to exploration expenditures and general and administrative expenses.

FOURTH QUARTER

The Company recorded a loss from operations of $335,948 (2011 – $208,732) and $0.01 (2011 – $0.01 per share) in the quarter ended December 31, 2012. The more significant items included in this loss were highlighted in the foregoing quarterly financial review but also included a $18,081 write-down of mining claims recorded in the Q4 – 2012 period.

FINANCING ACTIVITIES

On February 11, 2011 the Company issued 508,750 pre-consolidation common shares valued at $0.05 per share 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 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.

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

Also on May 20, 2011, after completion of the reorganization, 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 total cash of $50.

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. 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.

CAPITAL EXPENDITURES

The Company incurred capital expenditures of $176,555 on mineral properties, primarily related to deferred exploration expenditures on its Guadalupe property during the year ended December 31, 2012, compared to $868,399 during the year ended December 31, 2011. A minimal amount of equipment purchases was incurred during the years ended December 31, 2012 and 2011.

LIQUIDITY AND CAPITAL RESOURCES

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.

The Company's aggregate operating, investing and financing activities for the year ended December 31, 2012 resulted in a cash decrease of $619,970. As at December 31, 2012, the Company had cash of $396,088 and working capital of $282,834, which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding. 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.

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.

SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2012, Company had engaged an international law firm to review the JVA for the Segovia Tailings Project. 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.

FUTURE OUTLOOK

The Company continues 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 addition they are continuing the process of trying to reduce administrative expenditures in an effort to preserve capital.

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, 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.

CAPITALIZATION

As at April 29, 2013, 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: 48,782,147 common shares

Stock options outstanding:

Number of options	Exercise Price	Expiry Date
60,000	$0.35	May 20, 2016
150,000	$0.16	April 16, 2022
210,000		

Warrants outstanding:

Number of warrants	Exercise Price	Expiry Date
5,000,000	$0.12	May 20, 2013
800,000	$0.50	May 20, 2013
13,020,000	$0.05 [1]	October 31, 2017
18,820,000		

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2012, the Company adopted IFRS 7, *Financial Instruments: Disclosures*, which was 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. Adoption of this standard had no impact on the financial results or disclosures.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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.

FINANCIAL INSTRUMENTS

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.

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. Accounts payable and accrued liabilities are due within the current operating period.

As at December 31, 2012 the Company had cash of $396,088 and working capital of $282,834 which may not be sufficient to finance exploration and operating costs over the next year without additional financing. Management is currently considering additional financing alternatives as well as implementing cost reduction measures. Management believes that as at December 31, 2012 it is not exposed to significant currency risks arising from these financial instruments.

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.

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.

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, 2012 (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 fiscal years, the following is a breakdown of the material costs incurred:

	Years ended December 31,	
	2012	2011
	$	$
Deferred exploration expenditures	176,555	868,399
Administrative expense	1,241,742	1,901,077

Administrative expenses are provided by category of major expense items in the Consolidated Statements of Loss and Comprehensive Loss included in the audited consolidated financial statements for the year ended December 31, 2012.