SAMARANTA MINING CORPORATION

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010 and 2009

(expressed in Canadian dollars)

PricewaterhouseCoopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806
www.pwc.com/ca

Independent Auditor's Report

June 9, 2011

To the Shareholders

of Samaranta Mining Corporation

We have audited the accompanying consolidated financial statements of Samaranta Mining Corporation and its subsidiary, which comprise the consolidated balance sheets as at December 31, 2010 and 2009 and the consolidated statements of operations and comprehensive loss, cash flows and shareholders' equity for the years then ended, and the related notes including a summary of significant accounting policies.

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 Canadian generally accepted accounting principles, 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" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Samaranta Mining Corporation and its subsidiary as at December 31, 2010 and 2009 and the results of their operations and their cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Signed "PricewaterhouseCoopers LLP"

Chartered Accountants

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
December 31, 2010 and 2009

	2010	2009
ASSETS		
Current		
Cash	$ 265,799	$ 1,722
HST/GST receivable	45,144	-
Prepaid expenses	77,679	24,104
	388,622	25,826
Deposit on premises	16,098	-
Mining claims and deferred exploration costs (note 3)	574,147	-
Equipment (note 4)	30,683	37,999
	$ 1,009,550	$ 63,825
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 971,680	$ 171,877
Due to related parties (note 7)	-	504,019
	971,680	675,896
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 5)	4,653,787	1,940,818
Subscription received in advance	70,000	65,413
Contributed surplus	35,848	5,091
Deficit	(4,721,765)	(2,623,393)
	37,870	(612,071)
	$ 1,009,550	$ 63,825

Commitments (notes 3, 5 and 11)
Subsequent events (notes 3, 5 and 12)

APPROVED BY THE DIRECTOR:

________________________________ **Director**

SEE ACCOMPANYING NOTES

SAMARANTA MINING CORPORATION

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the years ended December 31, 2010 and 2009

	2010	2009
General and administrative expenses		
Accounting and audit	$ 121,258	$ 41,513
Consulting	618,967	347,431
Depreciation	11,767	5,866
Legal	390,293	210,101
Management fees	132,000	188,208
Office and miscellaneous	196,996	104,682
Project generation	96,047	-
Rent	134,451	4,050
Stock-based compensation	7,156	5,091
Travel	248,949	157,189
Loss before the following items:	(1,957,884)	(1,064,131)
Other items:		
Property dispute settlement (Note 3(h))	(128,000)	-
Foreign currency gain	54,908	63,879
Write-off of mining claims	(67,416)	(1,046,385)
	(140,508)	(982,506)
Net loss and comprehensive loss for the year	$ (2,098,372)	$ (2,046,637)
Weighted average number of shares outstanding	59,921,571	50,001
Basic and diluted loss per share	$ (0.04)	$ (40.93)

SEE ACCOMPANYING NOTES

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2010 and 2009

	2010	2009
Operating activities		
Net loss for the year	$ (2,098,372)	$ (2,046,637)
Add items not affecting cash:		
Depreciation	11,767	5,866
Shares issued in exchange for services	153,981	20,000
Shares issued pursuant to mineral property agreement	-	2,500
Stock-based compensation	7,156	5,091
Write-off of mining claims	67,416	1,046,385
	(1,858,052)	(966,795)
Changes in non-cash operating working capital related to operations:		
HST/GST receivable	(45,144)	11,118
Prepaid expenses	(53,575)	-
Accounts payable and accrued liabilities	696,168	171,877
	(1,260,603)	(783,800)
Investing activities		
Deferred exploration costs	(537,928)	(503,566)
Deposit on premises	(16,098)	-
Purchase of equipment	(4,451)	(43,865)
	(558,477)	(547,431)
Financing activities		
Advances received from a related party	-	667,225
Proceeds from issuance of shares, net of share issue expense	2,018,912	552,831
Subscription received in advance	64,245	65,413
	2,083,157	1,285,469
Increase (decrease) in cash during the year	264,077	(45,762)
Cash - Beginning of year	1,722	47,484
Cash - End of year	$ 265,799	$ 1,722

SEE ACCOMPANYING NOTES

Continued

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2010 and 2009

	2010	2009
Cash is comprised of:		
Cash	$ 265,799	$ 1,722
Supplemental disclosure of cash flow information:		
Non-cash items excluded from investing and financing activities:		
Accounts payable relating to mineral properties	$ 181,065	$ -
Shares issued for settlement of related party debt	504,019	1,321,806
Warrants issued for share issue expense	23,600	-
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	-	-
Income taxes	-	-

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
For the years ended December 31, 2010 and 2009

	Share Capital				Subscription Received In Advance	Contributed Surplus	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
	Common shares		Class A preference shares					
	Number	Amount	Number	Amount				
		$		$	$	$	$	$
Balance, December 31, 2008	1	-	-	-	43,681	-	(576,756)	(533,075)
Shares issued								
For cash to a related party	50,000	500	-	-	-	-	-	500
For cash pursuant to private placements			11,920,232	596,012	(43,681)	-	-	552,331
As settlement of debt	-	-	26,436,120	1,321,806	-	-	-	1,321,806
As consideration for services rendered	-	-	400,000	20,000	-	-	-	20,000
Pursuant to mineral property agreement	-	-	50,000	2,500	-	-	-	2,500
Share subscription received in advance	-	-	-	-	65,413	-	-	65,413
Stock-based compensation expense	-	-	-	-	-	5,091	-	5,091
Net loss for the year	-	-	-	-	-	-	(2,046,637)	(2,046,637)
Balance, December 31, 2009	50,001	500	38,806,352	1,940,318	65,413	5,091	(2,623,393)	(612,071)

SEE ACCOMPANYING NOTES

SAMARANTA MINING CORPORATION

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)

For the years ended December 31, 2010 and 2009

	Share Capital									
	Common shares		Class A preference shares		Class C Super Voting shares					
	Number	Amount $	Number	Amount $	Number	Amount $	Subscription Received In Advance $	Contributed Surplus $	Accumulated Deficit $	Total Shareholders' Equity (Deficiency) $
Balance, December 31, 2009	50,001	500	38,806,352	1,940,318	-	-	65,413	5,091	(2,623,393)	(612,071)
Issuance of shares										
For cash to a related party	-	-	-	-	500,000	50	-	-	-	50
For cash pursuant to private placements at $.05 per share	14,155,000	707,750	18,903,058	945,153	-	-	(59,658)	-	-	1,593,245
For cash pursuant to private placements at $.047 per share	12,759,957	599,718	-	-	-	-	-	-	-	599,718
As consideration for services rendered	-	-	2,700,000	135,000	-	-	-	-	-	135,000
As settlement of debt to related parties	10,400,000	520,000	60,000	3,000	-	-	-	-	-	523,000
Share issue expense - cash	-	(117,952)	-	(56,150)	-	-	-	-	-	(174,102)
Share issue expense - broker compensation warrants	-	(23,600)	-	-	-	-	-	23,600	-	-
Conversion of preference shares to common shares at 1:1 ratio	60,469,410	2,967,321	(60,469,410)	(2,967,321)	-	-	-	-	-	-
Share subscription received in advance	-	-	-	-	-	-	64,245	-	-	64,245
Stock-based compensation expense	-	-	-	-	-	-	-	7,157	-	7,157
Net loss for the year	-	-	-	-	-	-	-	-	(2,098,372)	(2,098,372)
Balance, December 31, 2010	97,834,368	4,653,737	-	-	500,000	50	70,000	35,848	(4,778,765)	37,870

SEE ACCOMPANYING NOTES

Note 1 Nature of operations and ability to continue as a 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 in the exploration stage and currently has interests in mineral properties in Colombia.

The recoverability of amounts shown for mineral properties and the Company's ability to continue as a going concern are 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 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 Summary of significant accounting policies

The consolidated financial statements of the Company have been prepared in accordance with GAAP. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgement. Actual results may vary from these estimates.

The consolidated financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below:

a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Colombian subsidiary, Grupo Mineros del Caribe, S. A. S. ("Grupo"). All significant intercompany transactions and balances have been eliminated.

Note 2 Summary of significant accounting policies – cont'd

b) Mining claims and deferred exploration

The Company defers all expenditures related to its mineral properties until such time as the properties are put into commercial production, considered to be impaired, sold or abandoned. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received from the sale of interests in mineral properties are credited against the carrying value of the mineral property. Write-downs due to impairment in value are charged to operations.

Management reviews the carrying value of its mineral properties for indication of impairment whenever events and circumstances indicate an impairment may have occurred and will recognize impairment in value based upon the stage of exploration and/or development, work programs proposed, current exploration results and upon management's assessment of the future probability of profitable revenues from each property, or from the sale of the relevant property. Management's assessment of a property's estimated current fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review. The amounts shown as mining claims and deferred exploration costs represent costs incurred to date less amounts amortized and/or written-off, and do not necessarily represent present or future values.

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 that 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. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Exploration costs that are not attributable to a specific property are charged to operations.
Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

c) Equipment

Equipment is carried at cost and consists of office furniture and equipment and computer equipment. Depreciation is computed using the declining-balance method at rates varying from 20% to 30%.

Note 2 Summary of significant accounting policies – cont'd

d) Foreign currency

The Company's functional currency is the Canadian dollar. Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in operations.

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

e) Impairment of long-lived assets

Canadian GAAP requires that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized based on discounted cash flows.

f) Share issue costs

Costs directly attributable with the raising of capital are charged against the related share capital. If a financing is not completed in a reasonable period of time or is abandoned, the related costs will be charged to operations

Note 2 Summary of significant accounting policies – cont'd

g) Financial instruments

All financial instruments, including derivatives, are initially measured on the balance sheet at fair value. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost. Transaction costs on the acquisition of financial assets and liabilities that are classified as other than held-for-trading are expensed.

Effective January 1, 2010, the Company adopted the enhanced disclosure requirements of amended Section 3862, "Financial Instruments – Disclosures". See Note 10 for disclosure.

h) Income taxes

The Company applies the asset and liability method of measuring income taxes based on temporary differences between the financial reporting and tax bases of assets and liabilities. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws that are expected to apply when the tax liabilities or assets are to be either settled or realized. The effect of a change in a tax rate is recognized in income in the year that includes the date of enactment or substantive enactment. The recognition of future benefits is limited to the extent that the realization of such benefits is more likely than not.

i) Estimates by management

Estimates by management represent an integral component of financial statements prepared in conformity with Canadian GAAP. The estimates made in these financial statements reflect management's judgments based on past experiences, present conditions, and expectations of future events. Where estimates were made, the reported amounts for assets, liabilities, revenues and expenses may differ from the amounts that would otherwise be reflected if the ultimate outcome of all uncertainties and future events were known at the time these financial statements were prepared.

Note 2 Summary of significant accounting policies – cont'd

j) Asset retirement obligations

The Company recognizes asset retirement obligations in the year in which they are incurred if a reasonable estimate of fair value can be determined. The liability is measured at fair value and is adjusted to its present value in subsequent years as accretion expense is recorded. The fair value of the estimated asset retirement costs is capitalized as part of the carrying amount of the long-lived asset when incurred and amortized to earnings over the asset's estimated useful life. As at December 31, 2010, there is no asset retirement obligation.

k) Stock-based compensation

The Company has a stock-based compensation plan as disclosed in Note 5, whereby stock options are granted in accordance with the policies of regulatory authorities. The fair value of all share purchase options are either fully expensed at grant date or over their vesting period with a corresponding increase to contributed surplus. Options granted to consultants are re-valued at each vesting and reporting date.

Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option valuation models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate

l) Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity.

In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

For the years ended December 31, 2010 and 2009, potentially dilutive common shares (relating to options, warrants and agent warrants outstanding at year-end) totalling 1,020,795 (2009: 34,883,983) were not included in the computation of loss per share.

Note 2 Summary of significant accounting policies – cont'd

m) Recently adopted accounting pronouncements

Business combinations, consolidated financial statements and non-controlling interests
Effective January 1, 2010, the Company elected to early adopt Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-controlling Interests". These sections replace the former CICA Handbook Section 1581, "Business Combinations" and Section 1600, "Consolidated Financial Statements" and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that the acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3, "Business Combinations" (January 2008). CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements. CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IAS 27, "Consolidated and Separate Financial Statements" (January 2008). To date, there has been no impact on the Company's consolidated financial statements as a result of the adoption of these sections.

n) Future accounting changes

International Financial Reporting Standards ("IFRS")
In 2006, the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has completed a high-level scoping study and concluded that the IFRS standards will have the most significant impact in, but are not limited to, the areas of:

- IFRS 1 – First-Time Adoption of IFRS
- IFRS 2 – Share Based Payments
- IFRS 6 – Exploration and Evaluation of Mineral Resources
- IAS 16 – Property, Plant and Equipment
- IAS 21 – The Effect of Changes in Foreign Currency Exchange Rates
- ED 9 – Joint Arrangements (replacing IAS 31 – Interests in Joint Ventures)
- IAS 36 – Impairment of Assets

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
Notes to consolidated financial statements
December 31, 2010 and 2009

Note 2 Summary of significant accounting policies – cont'd

o) Future accounting changes – cont'd

International Financial Reporting Standards ("IFRS") – cont'd
The Company has updated its accounting procedures so as to collect information required under IFRS but while the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Note 3 Mining claims and deferred exploration costs

	Alaska	Colombia			2009
	Galleon property	Camperucho property	Rio Saldana property	El Diamante property	Total
	$	$	$	$	$
Balance at December 31, 2008	-	304,175	-	238,644	542,819
Land and option payments	32,074	-	228,312	243,180	503,566
	32,074	304,175	228,312	481,824	1,046,385
Write-off of mining claims	(32,074)	(304,175)	(228,312)	(481,824)	(1,046,385)
Balance at December 31, 2009	-	-	-	-	-

	Colombia					2010
	Small Frontino	Manila 2 property	Other property prospect	Guadalupe property	Magui property	Total
	$	$	$	$	$	$
Balance at December 31, 2009	-	-	-	-	-	-
Land and option payments	135,000	-	-	188,645	-	188,645
Deferred exploration expenditures						
Assaying	-	-	-	7,267	-	7,267
Geological consulting	-	15,028	37,160	105,535	67,416	225,139
Equipment	-	-	9,774	14,718	-	24,492
Field work and office expenses	-	-	3,149	8,607	-	11,756
Fuel, lube, and parts	-	-	-	3,048	-	3,048
General labour	-	-	1,969	9,289	-	11,258
Travel and accommodation	-	902	4,973	29,083	-	34,958
	-	15,930	57,025	177,547	67,416	317,918
Write-off of mining claims	-	-	-	-	(67,416)	(67,416)
Balance at December 31, 2010	135,000	15,930	57,025	366,192	-	574,147

Note 3 Mining claims and deferred exploration costs – cont'd

a) Camperucho and El Diamante, Columbia mineral properties

During the year ended December 31, 2009, mineral property option agreements to acquire an 85% interest in the Camperucho property and a 50% interest in the El Diamante property were terminated and accordingly the mineral property costs associated with these properties were written down to nil.

b) Galleon, Alaska mineral property

During the year ended December 31, 2009, the Company entered into a twenty-year mineral lease agreement to obtain an undivided interest in the Galleon property. Pursuant to the terms of the lease agreement, 50,000 Class A preference shares were issued with an ascribed value of $2,500, $11,830 (US$10,000) was paid in cash and an additional $14,919 (US$15,000) was accrued as owing to the vendor. The agreement was terminated during the year ended December 31, 2009, and all costs associated with the property were written down to nil.

c) Rio Saldana, Colombia mineral property

During the year ended December 31, 2009, the Company also entered into a thirty year mineral property option agreement to acquire up to a 50% interest in the Rio Saldana property in exchange for cash paid of $228,312 (US$210,000). As of December 31, 2009, the Company was unable to meet the terms of the option agreement and accordingly these costs were written down to nil.

d) 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 of US$700,000 (US$160,000 paid at December 31, 2010 and US$201,000 paid subsequent to year-end)
- surface rental and environmental insurance policy payment of $14,204 (COP$26,988,526) (paid).

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 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. The agreement also contains a US$500,000 penalty provision for any default therein, subject to a force majeure exception.

Note 3 Mining claims and deferred exploration costs – cont'd

d) Guadalupe, Colombia mineral property – cont'd

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

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

Concession contracts related to exploration and mining in Colombia are governed by Colombian mining laws and have three phases which commence upon its inscription 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.

e) Magui, Colombia mineral property

Pursuant to an agreement dated June 16, 2009, as amended March 4, 2010, the Company agreed to acquire 75% of two private Colombian companies that collectively owned or had rights to three mineral claims that covered in total approximately 3,555 hectares in Colombia in exchange for cash payments of $50,000 (COP 100,000,000) and incurring US$5,000,000 in exploration expenditures. During the year ended December 31, 2010, the agreement was terminated and costs incurred to date of $ 67,416 were written down to nil.

f) Manila 2, Colombia mineral property

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

The alluvial mining extraction rights relating to the Manila 2 property remain with the vendor, subject to a variable 1% to 4% NSR in favour of the Company with actual NSR rates dependent upon the US$ price of gold.

Note 3 Mining claims and deferred exploration costs – cont'd

g) Smaller Frontino mineral property claims

Pursuant to a dispute settlement agreement dated December 3, 2010, the Company agreed with the disputing party to:

- pay cash of US$50,000 (paid) as final settlement of an administrative and office lease agreement;
- assign all of the Company's rights or interests to acquire three mining concessions known as the Manila 3, Manila 4 and San Miguel properties, each located in Colombia, to the other party;
- not to compete with the other party for the acquisition of other mineral concessions located in Colombia known as the Frontino Norte property; and
- to accept assignment of all rights and obligations associated with five mineral concessions located in Colombia known as the Small Frontino properties.

In January 2011, the Company renegotiated the terms of the agreement such that it agreed to acquire two of the Small Frontino properties in exchange for cash of US$135,000 (US$45,000 paid, US$45,000 due on each of two future regulatory approval dates expected to be March (paid) and June 2011) and it terminated its obligations with respect to the remaining three concessions in exchange for a cash payment of US$33,000. The Company has capitalized $135,000 of the above settlement costs to mining claims and has recorded the remaining $ 83,000 as property dispute settlement expense. In addition $45,000 in related legal expense has also been recorded as property dispute settlement expense.

Frontino operations contract

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

Note 4 Equipment

Equipment consists of the following:

	December 31, 2010			December 31, 2009		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net book Value
Furniture and equipment	$1,252	$350	$902	$1,252	$125	$1,127
Computer equipment	47,063	17,282	29,781	42,613	5,741	36,872
	$48,315	$17,632	$30,683	$43,865	$5,866	$37,999

Note 5 Share Capital

a) Authorized

Unlimited common shares without par value
Nil (2009: Unlimited) Class A non-voting preference shares without par value
Unlimited Class B non-voting preference shares without par value
Unlimited Class C Super Voting shares without par value

The holders of the common shares are entitled to one vote per share and are entitled to dividends, when and if declared by the directors of the Company, but only after the Company has provided for any dividends owing on the Class A preference shares. There are no Class B Preference shares issued. The holders of the common shares are entitled equally, share for share, with holders of all other classes of shares, to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have been declared or paid as at December 31, 2010.

The holders of Class C Super Voting shares are entitled to 1,000 votes per share and are not entitled to dividends. Upon a change of control, each of these shares converts to 10 common shares. The holders of all shares are entitled equally, share for share, to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

b) Class A preference shares issued

In June 2009, the Company completed a non-brokered private placement of 10,183,907 shares at $0.05 per share for gross proceeds of $509,196.

On June 29, 2009, the Company issued 26,436,120 shares at $0.05 per share to satisfy non-interest bearing debt owed to a related party. The debt was for certain expenditures made on the Company's behalf during 2008 and 2009.

In September 2009, the Company completed a non-brokered private placement of 1,736,325 shares at $0.05 per share for gross proceeds of $86,816.

On December 10, 2009, the Company issued 400,000 shares at $0.05 per share as consideration for legal services rendered by a third party.

On December 15, 2009, the Company issued 50,000 shares at $0.05 per share pursuant to a mineral property agreement.

On January 30, 2010, the Company issued 2,500,000 shares valued at $0.05 per share under the terms of a consulting agreement dated January 30, 2010, of which 1,250,000 of the shares are held in escrow until the earlier of January 30, 2012 or the Company undergoing an initial public offering.

Note 5 Share Capital – cont'd

b) Class A preference shares issued - cont'd

On February 10, 2010, the Company issued 200,000 shares at $0.05 per share under the terms of a settlement and release agreement for certain consulting services provided to the Company. Under the terms of the agreement, the Company also committed to pay US$100,000 once the Company receives financing of up to $3,500,000. As of December 31, 2010, the Company has paid US$25,000 pursuant to this agreement.

On February 24, 2010, the Company completed a non-brokered private placement of 18,295,398 shares at $0.05 per share for gross proceeds of $914,770. In conjunction with this private placement, $56,150 was paid for finder's fees and transaction costs.

On March 1, 2010, the Company completed a non-brokered private placement of 607,660 shares at $0.05 per share for gross proceeds of $30,383.

On March 1, 2010, the Company issued 60,000 shares valued at $0.05 per share for certain consulting services.

On March 31, 2010, all Class A preference shares were converted to common shares on the basis of one common share for each Class A preference share held. 60,469,410 issued and fully paid Class A preference shares became 60,469,410 fully paid common shares. Thereafter, the authorized share structure of the Company was amended to eliminate the Class A preference shares.

c) Common shares issued:

During the year ended December 31, 2010, the Company completed the following non-brokered private placements, each share issued at $0.05 per share:

April 14, 2010 – Issued 4,385,000 shares for gross proceeds of $219,250

April 14, 2010 – Issued 1,750,000 shares for gross proceeds of $87,500

April 23, 2010 – Issued 7,800,000 shares for gross proceeds of $390,000

June 11, 2010 – Issued 220,000 shares for gross proceeds of $11,000

The Company paid cash of $21,925, $8,750, $39,000 and nil respectively for finder's fees relating to these placements.

Note 5 Share capital – cont'd

c) Common shares issued: - cont'd

On October 1, 2010, the Company completed a non-brokered private placement of 12,759,957 common shares at $0.047 per share for gross proceeds of $599,718. In conjunction with the private placement, 1,020,795 finder's warrants were issued exercisable at a price of $0.05 per common share with an expiry of October 1, 2011. Stock-based compensation of $23,600 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 units granted, the following assumptions were used for the Black-Scholes model:

Risk-free interest rate	2.35%
Expected life	1 year
Expected volatility	103%
Expected dividends	$nil

On October 8, 2010, the Company entered into two shares-for-debt agreements in which 10,400,000 common shares valued at $0.05 per share were issued to related parties in exchange for settlement of $520,000 in debt.

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

On February 11, 2011, the Company issued 1,400,000 common shares at $0.05 per share in a private placement for which funds had been received in 2010.

On February 11, 2011, the Company entered into a shares-for-debt agreement in which 300,000 common shares valued at $0.05 per share were issued to a related party in exchange for settlement of $15,000 in debt.

On February 17, 2011, the Company completed a private placement of 16,235,319 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 share purchase warrants. Each warrant is exercisable at a price of $0.05 per common share with an expiry of February 17, 2012.

Note 5 Share Capital – cont'd

d) Class C Super Voting shares issued

On March 29, 2010, 500,000 Class C Super Voting shares were issued to a related party for cash consideration of $50. Pursuant to the terms of the letter of intent ("LOI") (note 12), all of the Class C Super Voting shares were redeemed for $50 and cancelled in connection with the merger with Legion Resources Corp. ("Legion").

e) Commitment to issue shares

On September 15, 2009, the Company entered into an agreement granting a director the right to purchase 400,000 Class A preference shares at $0.05 per share (the "Share Purchase Rights"). The Share Purchase Rights vest in 50,000 allotments quarterly in arrears from the agreement date and expire the earlier of September 15, 2019 and the date of termination or resignation of the director. The director resigned during August 2010, and as of December 31, 2010, 150,000 Share Purchase Rights had vested and expired. None of the Share Purchase Rights were exercised.

Stock based compensation of $7,156 (2009: $5,091) arising from the issue of these rights has been charged to operations and credited to contributed surplus.

The weighted fair value of the Share Purchase Rights granted of $0.0375 per Share Purchase Right was estimated using the Black-Scholes option pricing model with the following assumptions:

Average risk-free interest rate	1.98%
Expected life	5 years
Expected volatility	100%
Expected dividends	$nil

Note 6 Income taxes

The income taxes provision differs from the amounts computed by applying local tax rates to the loss before tax due to the following:

	Year ended December 31, 2010	2009
Tax rate	28.5%	30.0%
Loss before tax	(2,098,372)	(2,046,637)
Recovery of income taxes at applicable rates	(598,000)	(614,000)
Non-deductible (non-taxable) amounts	46,000	3,000
Change in non-recognized deferred tax assets	644,000	611,000
Income tax provision	-	-

Future income taxes arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The significant components of future income tax assets and liabilities are as follows:

	2010	2009
Future income tax assets (liabilities)		
Share issue and reorganization costs	(20,000)	
Mining claims and deferred exploration costs	337,000	284,000
Operating loss carry-forwards	896,000	421,000
Less valuation allowance	(1,213,000)	(705,000)
Net future tax asset	-	-

The Company recorded a valuation allowance against its future income tax assets based on the extent to which it is more likely-than-not that sufficient taxable income will not be realized during the carry-forward periods to utilize all the future tax assets.

At December 31, 2010, the Company has accumulated non-capital losses totalling approximately $3,317,000 in Canada and COP$25,100,000 (Cdn$14,000) in Colombia and resource related deductions of $1,249,000 that may be applied against future years' taxable income in Canada.

Note 6 Income Taxes – (cont'd)

The non-capital losses expire as follows:

Year ending December 31,	Canada	Colombia	Total
2028	$ 576,000	$ -	$ 576,000
2029	983,000		983,000
2030	1,758,000		1,815,000
	$ 3,317,000	$	$ 3,374,000

Note 7 Related party transactions

During the years ended December 31, the Company incurred charges to directors and officers, former directors and officers of the Company or companies controlled by these individuals as follows:

	2010	2009
Accounting	$ 47,884	$ -
Consulting	568,777	$ 13,673
Management fees	132,000	188,208
Office rent	105,000	-
	$ 853,661	$ 201,881

These transactions were measured at the exchange amount, which is agreed upon by the transacting parties.

Note 8 Segmented information

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral properties for development. Although the Company conducted mineral exploration in Colombia, in the 2009 fiscal year, virtually all of the Company's assets were held in Canada and substantially all of the Company's losses were incurred in Canada. Geographical information for the year ended December 31, 2010 is as follows:

	Canada	Colombia	Total
Net loss	$ (2,072,764)	$ (25,608)	$ (2,098,372)
Current assets	$ 328,250	$ 60,372	$ 388,622
Mining claims and deferred exploration costs	$ -	$ 574,147	$ 574,147
Total Assets	$ 374,741	$ 634,809	$ 1,009,550

Note 9 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 10 Financial instruments

a) Fair value of financial instruments

The Company's financial instruments consist of cash, deposit on premises, accounts payable and accrued liabilities, and due to related parties. Cash is measured at fair value. Deposit and accounts payable and accrued liabilities are measured at their amortized cost, which approximates their fair value due to their short-term nature. 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 inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The fair value of cash is measured at Level 2 of the fair value hierarchy. The carrying value of deposit, accounts payable and accrued liabilities and due to related parties approximates their fair value because of the short-term nature of these instruments. A discussion of risks associated with financial assets and liabilities is detailed below:

Note 10 Financial instruments – cont'd

b) Currency risk

A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in Canada and Colombia. The Company's currency risk is presently limited to approximately $260,000 of financial assets and liabilities denominated in US dollars. Based on this exposure as at December 31, 2010, a 5% increase in US exchange rates would give rise to a change in net loss and comprehensive loss of approximately $13,000.

The Company does not use derivative financial instruments to reduce its foreign exchange exposure; however, the Company maintains a significant portion of its cash in Canadian dollars. The amount of the Company's US dollar financial instruments, based on notional amounts, was as follows:

	US Dollar at December 31,	
	2010	2009
Cash on deposit	$ 98,000	$ -
Accounts payable and accrued liabilities	(436,000)	(15,000)
	$(338,000)	$ (15,000)

Future changes in exchange rates could have a material effect on the Company's business, financial condition and results of operations.

c) 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, and accordingly, the Company's maximum exposure to credit risk is the carrying amount of its financial assets.

d) Interest rate risk

Interest rate risk is the risk that the fair value of 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 and has an insignificant balance held in a term deposit with no other interest bearing financial assets or liabilities.

Note 10 Financial instruments – cont'd

e) Liquidity risk

The Company manages liquidity risk by 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 9 of these consolidated financial statements. Accounts payable and accrued liabilities are due within the current operating period..

Note 11 Commitments

Santa Lucia, Colombia mineral property

The Santa Lucia mineral property is currently the subject of a mining lease contract bid covering an area of approximately 691 hectares in Segovia, Colombia, the lease contract for which is currently pending the completion of a technical study by the regional mining office. On July 15, 2010, the Company agreed to purchase all rights and interests to the Santa Lucia mineral property lease contract if the bid is accepted in exchange for cash payments of US$450,000 payable as follows:

- US$50,000 at date of acceptance of application
- US$150,000 payable within 30 days of signing of the lease contract
- US$150,000 payable 30 days after filing of assignment of the Company's mining rights
- US$100,000 payable upon registering of title.

The Santa Lucia property is subject to a variable 1% to 4% NSR on all non-alluvial production, with actual NSR rates dependent upon the US$ price of gold.

Office rental agreement

Effective August 1, 2010, the Company entered into a two-year office rental agreement pursuant to which it has agreed to pay the following amounts for office rent and related expenses:

	Amount **$**
2011	105,924
2012	61,789

Note 12 Subsequent event

Plan of Arrangement

On August 18, 2010, and then amended December 9, 2010, the Company entered into a letter of intent with Legion Resources Corp., a publicly traded Canadian company, pursuant to which Legion and the Company agreed to merge the companies under the name "Samaranta Mining Corp." ("Amalco"). On March 4, 2011, the merger was effected by way of a Plan of Arrangement ("the Plan") and on May 20, 2011 Amalco announced the completion of the merger with trading of its shares then commencing on Tier 2 of the TSX Venture Exchange.

Pursuant to the Plan, holders of Legion shares received one share of Amalco for every four Legion shares held, and holders of the Company shares received one share of Amalco for every six-and-a-half the Company shares held, resulting in Legion shareholders holding approximately 33% and the Company shareholders holding approximately 67% of Amalco. As such, the merger constituted a "reverse takeover" as contemplated by the policies of the Exchange.

Also pursuant to the terms of the Plan current outstanding share options of Legion were exchanged for Amalco options on a 4:1 basis with terms identical to those of Legion existing options.

Additionally pursuant to the terms of the Plan, on closing of the merger, Amalco 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.