SAMARANTA MINING CORPORATION

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2011

(Unaudited - expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – expressed in Canadian dollars)

	Notes	**June 30, 2011**	December 31, 2010
ASSETS			
Current assets			
Cash		**$ 2,429,092**	$ 265,799
HST receivable		**144,485**	45,144
Prepaid expenses		**23,773**	77,679
		2,597,350	388,622
Non-current assets			
Deposit on premises		**16,098**	16,098
Mining claims and deferred exploration costs	6	**791,074**	566,099
Equipment	7	**32,940**	30,683
Total assets		**$ 3,437,462**	$ 1,001,502
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	**$ 307,107**	$ 971,680
SHAREHOLDERS' EQUITY			
Share capital	9	**11,588,132**	4,653,787
Subscription received in advance		**-**	70,000
Contributed surplus		**848,998**	35,848
Deficit		**(9,290,469)**	(4,721,765)
Accumulated other comprehensive loss		**(16,306)**	(8,048)
Total equity		**3,130,355**	29,822
Total liabilities and equity		**$ 3,437,462**	$ 1,001,502
Basis of presentation	2		
Commitments	6, 9, & 13		

APPROVED BY THE DIRECTORS:

______*"Gunther Roehlig"*__________ Director
Gunther Roehlig

_____*"Robert McMorran"*______ Director
Robert McMorran

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

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	**2011**	2010
General and administrative expenses				
Accounting and audit fees (note 8)	**$ 30,905**	$ 11,144	**$ 56,464**	$ 20,644
Consulting fees (note 8)	**18,804**	164,229	**72,779**	361,274
Depreciation	**2,650**	2,941	**4,907**	5,883
Legal fees	**132,337**	65,118	**168,120**	166,596
Management fees (note 8)	**24,000**	6,481	**48,000**	48,000
Office and administration	**67,675**	65,140	**104,604**	85,372
Project generation (deferred in period)	**(42,786)**	72,074	**7,215**	96,047
Rent	**19,869**	39,623	**52,151**	53,973
Share-based compensation	**656,110**	2,282	**656,110**	5,499
Transfer and filing fees	**24,494**	-	**24,494**	**-**
Travel	**52,523**	64,122	**99,991**	77,443
Loss for the period before other items:	**(986,581)**	(493,154)	**(1,294,835)**	(920,731)
Other income (expense)				
Fees associated with reorganization – (Notes 5 and 8)	**(70,000)**	-	**(160,000)**	
Foreign currency (loss) gain	**(6,274)**	49,680	**4,735**	52,726
Share-based payment on reorganization (note 5)	**(3,118,604)**	-	**(3,118,604)**	-
Net loss for the period	**(4,181,459)**	(443,474)	**(4,568,704)**	(868,005)
Other comprehensive loss				
Cumulative exchange adjustment	**3,634**	-	**(8,258)**	-
Total comprehensive loss for the period	**$ (4,177,825)**	$ (443,474)	**$ (4,576,962)**	$ (868,005)
Basic and diluted loss per share	**$ (0.21)**	$ (0.08)	**$ (0.25)**	$ (0.16)
Weighted average number of shares outstanding (Note 9)	**19,571,030**	11,037,018	**18,009,099**	5,552,823
Number of common shares as at June 30,				
Fully paid and outstanding	**36,872,147**	11,488,371	**36,872,147**	11,488,371
Potentially dilutive options and warrants outstanding	**9,274,365**	337,500	**9,274,365**	337,500

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

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	**2011**	2010
Operating activities				
Loss for the period	**$ (4,181,459)**	$ (443,474)	**$ (4,568,704)**	$ (868,005)
Fees associated with reorganization	**70,000**	-	**160,000**	-
Add items not affecting cash:				
Depreciation	**2,650**	2,941	**4,907**	5,883
Shares issued in exchange for services	**-**	-	**40,437**	135,000
Share-based compensation	**656,110**	2,282	**656,110**	5,499
Share-based payment on reorganization	**3,118,604**		**3,118,604**	
	(334,095)	(438,251)	**(588,646)**	(721,623)
Changes in non-cash operating working capital related to operations:				
HST receivable	**(74,527)**	(7,794)	**(89,022)**	(21,085)
Prepaid expenses	**16,365**	(1,300)	**68,906**	12,281
Accounts payable and accrued liabilities	**(819,642)**	103,643	**(714,892)**	145,482
Net cash used in operating activities	**(1,281,899)**	(343,702)	**(1,483,654)**	(584,945)
Investing activities				
Deferred exploration costs	**(61,226)**	(15,606)	**(199,975)**	(69,557)
Reclassification (purchase) of equipment	**1,089**	-	**(7,164)**	(3,200)
	(60,137)	(15,606)	**(207,139)**	(72,757)
Financing activities				
Advances received paid to a related party	**(20,000)**	(48,594)	**-**	(73,478)
Proceeds from issuance of shares, net of share issue expense	**3,135,050**	638,075	**3,836,814**	1,467,470
Funds provided from Legion transaction	**25,529**	-	**25,529**	-
Fees associated with reorganization	**(70,000)**	-	**(160,000)**	-
Subscription received in advance	**-**	66,245	**-**	66,245
	3,070,579	655,726	**3,702,343**	1,460,237
Foreign exchange on translation of subsidiary	**3,634**	-	**(8,258)**	-
Increase in cash during the period	**1,802,177**	296,418	**2,163,293**	802,535
Cash - Beginning of period	**626,915**	507,839	**265,799**	1,722
Cash - End of period	**$ 2,429,092**	$ 804,257	**$ 2,429,092**	$ 804,257

Supplemental disclosure of cash flow information:
Non-cash items excluded from investing and financing activities:

Shares issued for settlement of debt	**$ -**	**$ -**	**$ -**	$ 3,000
Warrants issued as share issue expense	**$ 131,040**	**$ -**	**$ 157,040**	$ -

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

SAMARANTA MINING CORPORATION

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

(Unaudited – expressed in Canadian dollars)

	Common shares		Class A preference shares		Class C Super Voting shares		Subscription	Contributed Surplus	Deficit	Shareholders' Deficiency
	Number	Amount $	Number	Amount $	Number	Amount $	$	$	$	$
Balance, January 1, 2010	50,001	500	38,806,352	1,940,318	-	-	65,413	5,091	(2,623,393)	(612,071)
Issuance of shares										
For cash pursuant to private placements at $.05 per share	-	-	18,903,058	945,153	-	-	(59,658)	-	-	885,495
As consideration for services rendered	-	-	2,700,000	135,000	-	-	-	-	-	135,000
As settlement of debt to related parties	-	-	60,000	3,000	-	-	-	-	-	3,000
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	-	-	-	-	-	-	-	707,750
Share issue expense – cash	-	(69,675)	-	(56,150)	-	-	-	-	-	(125,825)
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	-	-	-	-	-	-	66,245	-	-	66,245
Share-based compensation expense	-	-	-	-	-	-	-	5,499	-	5,499
Net loss for the period	-	-	-	-	-	-	-	-	(868,005)	(868,005)
Balance, June 30, 2010	74,674,411	3,605,896	-	-	500,000	50	72,000	10,590	(3,491,398)	197,138

SAMARANTA MINING CORPORATION

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited – expressed in Canadian dollars)

	Common shares		Class C Super Voting shares		Subscription Received In Advance	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
	Number	$ Amount	Number	$ Amount	$	$	$	$	$
Balance, June 30, 2010	74,674,411	3,605,896	500,000	50	72,000	10,590	-	(3,491,398)	197,138
Issuance of shares									
For cash pursuant to private placements at $.047 per share	12,759,957	599,718	-	-	-	-	-	-	599,718
As settlement of debt to related parties	10,400,000	520,000	-	-	-	-	-	-	520,000
Share issue expense - cash	-	(48,277)	-	-	-	-	-	-	(48,277)
Share issue expense - broker compensation warrants	-	(23,600)	-	-	-	23,600	-	-	-
Share subscription received in advance	-	-	-	-	(2,000)	-	-	-	(2,000)
Stock-based compensation	-	-	-	-	-	1,658		-	1,658
Comprehensive loss for the period							(8,048)		(8,048)
Net loss for the period								(1,230,367)	(1,230,367)
Balance, December 31, 2010	97,834,368	4,653,737	500,000	50	70,000	35,848	(8,048)	(4,721,765)	29,822
Issuance of shares for cash									
- at $.047 per share	16,235,319	763,060	-	-		-	-	-	763,060
- at $.05 per share	1,400,000	70,000	-	-	(70,000)	-	-	-	-
Shares issued for services	808,750	40,438	-	-	-	-	-	-	40,438
Share-based compensation	-	-	-	-	-	656,110		-	656,110
Comprehensive loss for the period							(8,258)		(8,258)
Net loss for the period	-	-	-	-	-	-		(4,568,704)	(4,568,704)
Share issue expense - cash	-	(426,196)	-	-	-	-	-	-	(426,196)
Share issue expense - broker compensation warrants	-	(157,040)	-	-	-	157,040	-	-	-
Shares cancelled			(500,000)	(50)					(50)
Shares exchanged on 6.5:1 basis	(98,389,513)								
Net Legion assets acquired	8,983,223	3,144,133							3,144,133
Issuance for cash at $0.35 per share	10,000,000	3,500,000							3,500,000
Balance, June 30, 2011	36,872,147	11,588,132	-	-	-	848,998	(16,306)	(9,290,469)	3,130,355

Note 1 Corporate information

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 Canada and Colombia. The Company's registered and records office is located at #400 - 999 Canada Place, Vancouver, B.C., V6C 3E2.

Effective May 20, 2011 the Company which had previously been privately held completed a reverse takeover transaction with Legion Resources Corp. ("Legion"), a publicly traded Canadian company, pursuant to which Legion and the Company agreed to merge the companies under the name "Samaranta Mining Corporation" or "Amalco". At that date Legion's shares ceased trading on the TSX Venture Exchange and trading in the shares of Amalco commenced.

The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, future profitable production or disposition thereof, and the ability of the Company to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance exploration and operating costs over the next twelve months with current working capital.

Note 2 Basis of preparation

These condensed interim consolidated financial statements for the six months ended June 30, 2011 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board and using the accounting policies the Company expects to adopt in its consolidated annual financial statements for the year ending December 31, 2011. The same accounting policies and methods of computation followed in the preparation of these condensed interim consolidated financial statements was identical to those followed in the preparation of the condensed interim consolidated financial statements for the three months ended March 31, 2011.

The Company's condensed interim consolidated financial statements for the three months ended March 31, 2011were its first financial statements prepared using IFRS. As such they contained certain disclosures required to be included in annual financial statements prepared in accordance with IFRS but which were not included in the Company's most recent annual financial statements prepared in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("GAAP"). Accordingly these condensed interim consolidated financial statements for the six months ended June 30, 2011 should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2010 as well as the condensed interim consolidated financial statements for the three months ended March 31, 2011. The explanation of how the transition from pre-changeover Canadian GAAP to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 4.

Note 2 Basis of preparation – cont'd

These condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete year end reporting purposes. Results for the period ended June 30, 2011, are not necessarily indicative of future results. In addition any subsequent changes to IFRS, that are given effect in the Company's annual financial statements for the year ending December 31, 2011 could result in restatement of these condensed financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim consolidated financial statements were authorized for issue by Company's Board of Directors on August 24, 2011.

a) Basis 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") incorporated on April 19, 2010, under the laws of Colombia. The results of the subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances have been eliminated upon consolidation.

b) Basis of Measurement
The condensed interim consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities to fair value. The condensed financial statements are presented in Canadian dollars which is also the functional currency of the Canadian parent. The functional currency of the Colombian subsidiary is the Colombian peso.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, and the areas where assumptions and estimates are significant to the financial statements are considered to be valuation of net identifiable assets acquired from Legion, share based payments and the carrying value and recoverability of mineral properties.

Note 3 Accounting standards issued but not yet effective

The following new standard and amendments have not been early adopted in these interim financial statements. The Company is currently assessing the impact that these amendments and standard will have on the Company's future results and financial position:

Amendments to IFRS 7 "Financial Instruments: Disclosures"
This amendment increases the disclosure required regarding the transfer of financial assets that result in derecognition. This amendment is effective for annual periods beginning on or after July 1, 2011.

Note 3 Accounting standards issued but not yet effective – cont'd

New standard IFRS 9 "Financial Instruments"
This new standard is a partial replacement of International Accounting Standards ("IAS") 39 "Financial Instruments: Recognition and Measurement". IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. This new standard is effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 10 "Consolidated Financial Statements"
This standard supercedes IAS 27, "Consolidated and Separate Financial Statements", and establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted.

New standard IFRS 11 "Joint Arrangements"
This standard supercedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities- Non-monetary Contributions by Venturers", and establishes principles for financial reporting by parties to a joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted.

New standard IFRS 12 "Disclosure of Interest in Other Entities"
This is a new standard which applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted.

Note 4 Adoption of International Financial Reporting Standards

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

Under IFRS the translation of foreign operation financial statements at each balance sheet date for consolidation purposes is translated as follows: assets and liabilities are translated at the closing rate at the date of that balance sheet; income and expenses are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are recognized as other comprehensive income. These non-cash accounting IFRS transition adjustments recorded at December 31, 2010 were identified in the March 31, 2011 interim statements. As at June 30, 2010 the Colombian subsidiary had not yet commenced operations. Accordingly there was no IFRS adjustment to net loss, comprehensive loss, shareholders equity, assets or liabilities to amounts as previously reported at June 30, 2010.

(Unaudited – expressed in Canadian dollars)

Note 5 Reverse Takeover of Legion Resources Corp.

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

These condensed interim consolidated financial statements have been prepared on the basis that the proposed transaction constitutes the issuance of shares by Samaranta for Legion's net monetary assets, accompanied by a recapitalization of Samaranta. Since Legion does not meet the definition of a business under IFRS 3, *Business Combinations*, the transaction is considered to be capital in substance rather than a business combination. As such Samaranta will account for the transaction as a reverse takeover ("RTO") except that no goodwill or intangible asset representing the stock exchange listing will be recorded. As a result of the accounting treatment for the reverse takeover Legion's operating results are not included in these statements.

The fair value of the Legion assets acquired was based on the value of Samaranta common shares issued in exchange. Accordingly the total purchase price was calculated and allocated as follows:

Fair Value of shares issued on reverse acquisition		
Common Shares (8,983,223) at $0.35 per share	$	3,144,133
Exchange of Options (362,500 exercisable @ $0.60 per share)		-
	$	3,144,133
Net Identifiable Assets acquired		
Cash	$	33,799
HST and other receivables		25,319
Deferred Easy Joe Mineral Property Acquisition Costs		25,000
Accrued liabilities		(58,589)
		25,529
Share-based payment on reorganization charged to loss		3,118,604
	$	3,144,133

The purchase price and allocation is a result of Management's best estimates and assumptions after taking into account all available information. As at June 30, 2011, $160,000 in estimated transaction costs associated with the amalgamation were expensed. 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 and outstanding warrants of Samaranta were exchanged on a 6.5:1 basis with terms identical to those of Samaranta existing warrants. The exchange of options was accounted for as modified options but there was no appreciable increase in value.

SAMARANTA MINING CORPORATION
(An Exploration Stage Company)
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited – expressed in Canadian dollars)
For the six months ended June 30, 2011

Note 6 Mining claims and deferred exploration costs

Colombian Properties	Guadalupe	Magui	Manila 2	Small Frontino	Other prospects	Total
	$	$	$	$	$	$
Balance at January 1, 2010	-	-	-	-	-	-
Land and option payments	188,645	-	-	126,952	-	315,597
Deferred exploration expenditures						
Assaying	7,267	-	-	-	-	7,267
Geological consulting	105,535	67,416	15,028	-	37,160	225,139
Equipment	14,718	-	-	-	9,774	24,492
Field work and office expenses	8,607	-	-	-	3,149	11,756
Fuel, lube, and parts	3,048	-	-	-	-	3,048
General labour	9,289	-	-	-	1,969	11,258
Travel and accommodation	29,083	-	902	-	4,973	34,958
	177,547	67,416	15,930	-	57,025	317,918
Write-off of mining claims	-	(67,416)	-	-	-	(67,416)
Balance at December 31, 2010	366,192	-	15,930	126,952	57,025	566,099
Land and option payments	195,550	-	-	(27.503)	-	168,047
Deferred exploration expenditures						
Assaying	631	-	-	-	-	631
Geological consulting	4,400	-	-	-	-	4,400
Equipment	974	-	-	-	-	974
Field work and office expenses	1,122	-	-	-	-	1,122
General labour	2,344	-	-	-	326	2,670
Leasehold fees	8,269	-	-	549	-	8,818
Travel and accommodation	2,709	-	-	476	343	3,527
	20,449	-	-	1,025	669	22,143
Total Colombian Properties						756,289
Currency adjustment upon translation	303	-	-	8,048	1,434	9,785
Canadian Property – Easy Joe acquired from Legion						25,000
Balance at June 30, 2011	582,494	-	15,930	108,522	59,128	791,074

Note 6 Mining claims and deferred exploration costs – cont'd

a) Guadalupe, Colombia mineral property

The Guadalupe property comprises two thirty-year mineral exploration concession contracts granted on April 20, 2005. The property consists of approximately 786 hectares located in the Municipality of Segovia, Colombia. On June 8, 2010, the Company entered into an assignment of mining rights agreement to acquire an undivided interest in the rights to these contracts in exchange for:

- cash of US$700,000 (US$460,000 paid at August 24, 2011)
- 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.

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.

b) 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.

Note 6 Mining claims and deferred exploration costs – cont'd

c) 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.

d) Smaller Frontino mineral property claims

Pursuant to a dispute settlement agreement dated December 3, 2010 and subsequently renegotiated in January, 2011, the Company agreed to acquire two mineral concessions located in Colombia known as the Small Frontino properties.

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 Small 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.

(Unaudited – expressed in Canadian dollars)

Note 7 Equipment

Equipment consists of the following:

	Furniture	Computer Equipment	Total
Cost:	$	$	$
Balance at December 31, 2010	1,252	47,063	48,315
Additions	4,874	1,898	6,772
Balance at June 30, 2011	6,126	48,961	55,087
Accumulated depreciation:			
Balance at December 31, 2010	350	17,282	17,632
Depreciation for the period	91	4,424	2,257
Balance at June 30, 2011	441	21,706	22,147
Net book value:			
December 31, 2010	902	29,781	30,683
June 30, 2011	7,685	28,946	32,940

	Furniture	Computer Equipment	Total
Cost:	$	$	$
Balance at January 1, 2010	1,252	42,613	43,865
Additions	-	4,450	4,450
Balance at December 31, 2010	1,252	47,063	48,315
Accumulated depreciation:			
Balance at January 1, 2010	125	5,741	5,866
Depreciation for the period	225	12,541	12,766
Balance at December 31, 2010	350	17,282	17,632
Net book value:			
January 1, 2010	1,127	36,872	37,999
December 31, 2010	902	29,781	30,683

(Unaudited – expressed in Canadian dollars)

Note 8 Related party transactions

The Company incurred charges to directors and officers, a former director and to a legal firm of which an officer is an associate or to companies controlled by these individuals as follows:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
			$	$
Accounting	17,091	949	48,030	949
Consulting	-	9,805	23,000	20,610
Management fees to key management	24,000	24,000	48,000	48,000
Office rent	-	22,500	-	45,000
Fees associated with reorganization	82,050	-	92,050	-
	123,141	57,254	211,080	114,559

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

As at June 30, 2011 accounts payable includes $8,953 due to an officer for management fees, $26,909 due to a company of which an officer is associated and $22,265 to a former director for consulting fees. (December 31, 2010 – Nil)

Key management includes the President. The compensation paid or payable to key management for services consists of management fees of $8,000 per month for all periods reflected and the issue of 1,000,000 stock options for which share-based compensation of $245,735 was recorded as an expense for the three months ended June 30, 2011.

Note 9 Share Capital

Authorized

Unlimited common shares without par value
Unlimited Class B non-voting preference shares without par value
Unlimited Class C Super Voting shares without par value

(Unaudited – expressed in Canadian dollars)

Note 9 Share Capital – (cont'd)

a) Common shares issued:

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

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

On February 17, 2011, the Company completed a private placement of 16,235,319 pre-consolidation common shares at $0.047 per share for gross proceeds of $763,060. In connection with the private placement, finder's fees were paid consisting of cash of $61,045 and 1,298,825 pre-consolidation share purchase warrants. Each warrant prior to amalgamation was exercisable at a price of $0.05 per common share with an expiry of February 17, 2012. Stock-based compensation of $26,000 arising from the issue of these compensation warrants has been charged to share issue costs and credited to contributed surplus.

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

Risk-free interest rate	2.35%
Expected life	1 year
Expected volatility	95%
Expected dividends	$nil
Expected forfeiture rate	9%

(Unaudited – expressed in Canadian dollars)

Note 9 Share Capital – cont'd

b) Common shares issued: - cont'd

On May 20, 2011 the common shares were exchanged on a 6.5:1 basis for common shares of Amalco and 8,983,223 shares were issued as part of the Legion reverse takeover. These financial statements reflect the post consolidated number of shares.

Also on May 20, 2011 after completion of the merger with Legion, 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. The Company applied the residual approach and allocated the total proceeds to the common shares and $nil to the attached warrants. In connection with the private placement, finder's fees were paid consisting of cash of $340,000 and 800,000 share purchase warrants. Share-based compensation of $131,040 arising from the issue of these compensation warrants has been charged to share issue costs and credited to contributed surplus.

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

Risk-free interest rate	1.66%
Expected life	2 years
Expected volatility	94%
Expected dividends	$nil
Expected forfeiture rate	9%

Included in common shares issued are 1,030,000 shares subject to escrow restrictions.

c) Class C Super Voting shares

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

d) Stock Options

On May 20, 2011 the Company granted 1,185,000, 1,325,000 and 60,000 options to officers , non-management directors and a consultant respectively, exercisable at $0.35 per share with a five year expiry. On June 7, 2011 the Company granted 185,000 options to consultants, exercisable at $0.35 per share with a five year expiry. All options vested immediately except for 100,000 options issued to a consultant which vest equally at three month intervals over one year. During the six months ended June 30, 2011 the Company recorded stock based compensation of $656,110 (June 30, 2010 - $5,499) with respect to these options.

(Unaudited – expressed in Canadian dollars)

Note 9 Share Capital – (cont'd)

d) Stock Options

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

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2010	-	-
Exchanged for Legion options	362,500	$0.60
Granted	2,755,000	$0.35
Balance, June 30, 2011	3,117,500	$0.38

Details of stock options outstanding as at June 30, 2011 are as follows:

Number of Shares	Exercise Price	Expiry Date
362,500	$0.60	May 13, 2015
2,570,000	$0.35	May 20, 2016
185,000	$0.35	June 7, 2016
3,117,500		

The weighted average remaining contractual life of the outstanding options is 4.8 years. The weighted fair value of the share purchase options granted during the six months ended June 30, 2011 of $0.25 per option is estimated using the Black-Scholes option valuation model with the following assumptions:

Weighted average exercise price	$0.35
Weighted average grant date share price	$0.35
Average risk-free interest rate	2.35% - 2.53%
Expected life	5 years
Expected volatility	103%
Expected dividends	Nil
Expected forfeiture rate	9%

There were no options granted during the six months ended June 30, 2010. The grant date share price is the closing market price on the date before the options were granted. As the Company had not previously traded and had no share trading history the expected volatility was determined by measuring the historical volatility of five other companies which were similar in nature for the same time period as the length of the option period..

(Unaudited – expressed in Canadian dollars)

Note 9 Share Capital – (cont'd)

e) Share Purchase Warrants:

As at June 30, 2011, 5,000,000 share purchase warrants and 1,156,865 agents warrants (June 30, 2010 - Nil) were outstanding .

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

	Number of Warrants	Weighted Average Exercise Price
Balance at June 30, 2010	-	-
Issued	1,020,795	-
Balance, December 31, 2010	1,020,795	$0.05
Issued	1,298,825	$0.05
	2,319,620	$0.05
Warrants exchanged on a 6.5:1 basis	(1,962,755)	$0.05
	356,865	$0.325
Issued	5,800,000	$0.50
Balance at June 30, 2011	6,156,865	$0.49

Note 10 Segmented information

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral properties for development. Geographical information is as follows:

	Six months ended June 30, 2011		
	Canada	Colombia	Total
Net loss for the period	$ (4,516,252)	$ (52,452)	$ (4,568,704)
Current assets	$ 2,563,802	$ 33,548	$ 2,597,350
Mining claims and deferred exploration costs	$ 25,000	$ 766,074	$ 791,074
Total Assets	$ 2,630,778	$ 806,684	$ 3,437,462

(Unaudited – expressed in Canadian dollars)

Note 10 Segmented information – cont'd

	Six months ended June 30, 2010		
	Canada	Colombia	Total
Net loss	$ (868,005)	$ -	$ (868,005)
Current assets	$ 837,166	$ -	$ 837,166
Mining claims and deferred exploration costs	$ -	$ 69,557	$ 69,557
Total Assets	$ 872,481	$ 69,557	$ 942,038

Note 11 Management of capital risk

The Company's capital structure consists of shareholders' equity which is comprised of share capital net of accumulated deficit. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. Current working capital of the Company at June 30, 2011 is $2,290,243.

The Company is dependent on capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets and by its ability to compete for investor support of its projects. The Company is not subject to externally imposed capital requirements other than disclosed above.

Note 12 Financial Instruments

(a) Classification of financial instruments

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

Note 12 Financial Instruments – cont'd

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.

(b) Fair Value Disclosure

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 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:

(c) 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 including amounts to be paid with respect to mineral property agreements. 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:

Amounts in US$	June 30, 2011	Dec 31, 2010
Cash on deposit	$ 4,000	$ 98,000
Accounts payable and accrued liabilities	(27,000)	(436,000)
	$ (23,000)	$ (338,000)

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

(d) 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.

(Unaudited – expressed in Canadian dollars)

Note 12 Financial Instruments – cont'd

(e) 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 with no other interest bearing financial assets or liabilities.

(f) 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 11 of these consolidated financial statements. Accounts payable and accrued liabilities are due within the current operating period.

Note 13 Commitments

a) 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.

b) Effective August 1, 2010, the Company entered into a two-year office rental agreement pursuant to which the following amounts are expected to be paid for office rent and related expenses:

	$ Amount
July 1 – December 31, 2011	46,639
2012	54,412