

Condensed consolidated interim financial statements of

Samco Gold Limited

March 31, 2015

(Unaudited – Prepared by Management)

Samco Gold Limited

Advisory to reader

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by, and are the responsibility of the Company's management.

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

Samco Gold Limited

March 31, 2015

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Samco Gold Limited

Condensed consolidated interim statements of loss and comprehensive loss three months ended March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

	Three months ended March 31, 2015 \$	Three months ended March 31, 2014 \$
Interest income	4	546
Administrative expenses (Note 4)	(763,530)	(746,983)
Finance and interest charges	(2,796)	(3,105)
Foreign exchange gain/(loss)	75,065	(48,526)
Share-based payment expense (Note 9(c))	(9,339)	(4,940)
Loss before tax	(700,596)	(803,008)
Current tax expense	(3)	(192)
Deferred tax	801	(17,328)
Income tax (Note 6)	798	(17,520)
Loss and comprehensive loss	(699,798)	(820,528)
Loss per share, basic (Note 9(d))	(0.01)	(0.01)
Loss per share, diluted (Note 9(d))	(0.01)	(0.01)
Weighted average number of shares outstanding, basic	65,076,075	65,076,075
Weighted average number of shares outstanding, diluted	65,276,075	70,326,075

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

Samco Gold Limited

Condensed consolidated interim statements of financial position as at March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

	2015	2014
	\$	\$
Assets		
Non-current assets		
Plant and equipment (Note 7)	214,129	225,120
Mineral rights and exploration assets (Note 8)	24,402,559	24,181,587
Prepaid assets	949,928	963,900
Receivables	51,265	53,373
Total non-current assets	25,617,881	25,423,980
Current assets		
Cash	290,376	1,048,065
Prepaid assets	143,050	150,434
Receivables (Note 5)	1,400,000	1,400,000
Total current assets	1,833,426	2,598,499
Total assets	27,451,307	28,022,479
Equity and liabilities		
Capital and reserves		
Share capital (Note 9(a))	45,423,567	45,423,567
Warrants (Notes 9(b))	900,802	900,802
Share-based payment reserve (Note 9(b) and 9(c))	4,978,859	4,969,520
Deficit	(24,430,571)	(23,730,774)
Total equity	26,872,657	27,563,115
Non-current liabilities		
Deferred tax liability (Note 6)	17,725	18,526
Total non-current liabilities	17,725	18,526
Current liabilities		
Due to related parties (Note 5)	107,200	-
Accounts payable and accrued liabilities	453,725	440,838
Total current liabilities	560,925	440,838
Total liabilities	578,650	459,364
Total equity and liabilities	27,451,307	28,022,479

Approved by the Board May 26, 2015

"John Hick" Director

"Charles Koppel" Director

Samco Gold Limited

Condensed consolidated interim statements of changes in equity

Three months ended March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

	Share capital	Warrants	Share-based payment reserve	Deficit	Total
	\$	\$	\$	\$	\$
Opening balance as at January 1, 2014	45,423,567	900,802	4,943,457	(21,146,700)	30,121,126
Loss for the period attributable to shareholders	-	-	-	(820,528)	(820,528)
Share-based payment expense (Notes 9(b) and 9(c))	-	-	4,940	-	4,940
Balance as at March 31, 2014	45,423,567	900,802	4,948,397	(21,967,228)	29,305,538
Opening balance as at January 1, 2015	45,423,567	900,802	4,969,520	(23,730,774)	27,563,115
Loss for the period attributable to shareholders	-	-	-	(699,798)	(699,798)
Share-based payment expense (Notes 9(b) and 9(c))	-	-	9,339	-	9,339
Balance as at March 31, 2015	45,423,567	900,802	4,978,859	(24,430,572)	26,872,656

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

Samco Gold Limited

Condensed consolidated interim statements of cash flows three months ended March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

	Three months ended March 31, 2015 \$	Three months ended March 31, 2014 \$
Operating activities		
Loss for the period	(699,798)	(820,528)
Interest income	(4)	(546)
Foreign exchange (gain)/loss	(75,065)	48,526
Share-based payment expense (Note 9(c))	9,339	4,940
Depreciation (Note 7)	5,683	7,277
Disposals of plant and equipment (Note 7)	-	9,336
Deferred tax (Note 6)	(801)	17,328
	(760,646)	(733,667)
Movements in working capital		
Decrease in receivables	2,108	113,845
Decrease in prepaid assets	21,356	-
Increase in accounts payable and accrued liabilities	12,887	89,630
Increase in amounts due to related parties	107,200	27,084
	(617,095)	(503,108)
Investing activities		
Investment in mineral property rights and exploration costs (Note 8)	(215,664)	(273,878)
Investment fund		(401,981)
Interest income	4	546
(Increase) in receivable (Note 5)	-	(1,400,000)
Purchase of plant and equipment (Note 7)	-	(100,003)
	(215,660)	(2,175,316)
Effect of foreign exchange rate changes on cash	75,065	(48,526)
Decrease in cash	(757,690)	(2,726,950)
Cash at the beginning of the period	1,048,065	5,773,339
Cash at the end of the period	290,375	3,046,389

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

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

1. General information

Samco Gold Limited (the "Company") was incorporated in the British Virgin Islands on June 16, 2009. The registered office address is Geneva Place, 2nd floor, 333 Waterfront Drive, Road Town, Tortola, British Virgin Islands.

The Company is a mineral exploration company that acquires, explores and develops mineral properties in South America. The Company's material properties are the El Dorado-Monserrat property and adjacent Judite property, and the Corina property, all located in the Province of Santa Cruz, Argentina. All of the Company's properties are at an early stage of exploration.

These condensed consolidated interim financial statements include the Company's three wholly-owned subsidiaries, Samco Gold S.A. and 5R S.A., both companies incorporated in Argentina, and Samco Gold Services (UK) Ltd., a company incorporated in the United Kingdom.

The Company's common shares are traded on the TSX Venture Exchange and all filings are publicly available on SEDAR at www.sedar.com.

The Company has prepared unaudited condensed consolidated interim financial statements for the three month periods ended March 31, 2015 and 2014.

These unaudited condensed consolidated interim financial statements for the three month periods ended March 31, 2015 and 2014 have been prepared by management and authorized for issuance by the board of directors of the Company on May 26, 2015.

2. Significant accounting policies

Statement of compliance

The Company's condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting'.

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2014, audited annual consolidated financial statements.

Certain information and disclosures normally required to be included in notes to annual financial statements have been condensed or omitted. The financial statements should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2014.

Basis of preparation

The Company is primarily engaged in the exploration of mainly gold and silver on properties in Argentina. The Company has not determined whether the exploration properties contain mineral reserves that are economically recoverable. The recoverability of the amount shown for mineral rights for exploration is dependent upon the discovery of economically recoverable reserves of gold and silver on the exploration properties and on attaining future profitable production from such properties.

Going concern

The Company had a loss and comprehensive loss of \$699,797 for the three months ended March 31, 2015 (2014: \$820,528). As the Company has not yet achieved profitable operations, the Company has, since its inception, accumulated a deficit to March 31, 2015, of \$24,430,571 and expects to incur further losses in the development of its business. These conditions, along with other matters relevant to exploration companies, such as failure to obtain the necessary permits which could result in the delay or indefinite postponement of further exploration and development of its Argentinean mineral properties, indicate the existence of material uncertainties about the Company's ability to continue as a going concern. There is no assurance that the necessary permits will be obtained on favorable terms, or at all. These condensed consolidated interim financial statements do not include any additional adjustments to the recoverability and classification of certain asset amounts, classification of certain liabilities and

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

2. Significant accounting policies (continued)

Going concern (continued)

changes to the statements of loss and comprehensive loss that might be necessary if the Company were unable to continue as a going concern.

3. Segment information

Operating segments were identified based on internal reporting reviews that are performed by the chief executive officer of the Company. Two segments were identified based on the operational activities and the reporting structure. The accounting policies of the reportable segments are the same as the Company's accounting policies. The Company operates a corporate business segment as well as a segment for managing exploration rights in Argentina. Assets, liabilities and loss/(income) within each segment are as follows:

	As at March 31, 2015		
	Corporate	Argentina	Total
	\$	\$	\$
Non-current assets	730,155	24,887,726	25,617,881
Current assets	1,660,753	172,673	1,833,426
Non-current liabilities	17,725	-	17,725
Current liabilities	301,393	259,532	560,925

	As at December 31, 2014		
	Corporate	Argentina	Total
	\$	\$	\$
Non-current assets	736,266	24,687,714	25,423,980
Current assets	2,486,119	112,380	2,598,499
Non-current liabilities	18,526	-	18,526
Current liabilities	149,006	291,832	440,838

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

3. Segment information (continued)

	Three months ended March 31, 2015		
	Corporate	Argentina	Total
	\$	\$	\$
Interest income	4	-	4
Depreciation expense	4,003	1,680	5,683
Finance and interest charges	1,923	873	2,796
Share-based payment expense	9,339	-	9,339
Income tax expense	-	3	3
Deferred tax expense	(801)	-	(801)
Loss/(income)	639,834	59,963	699,797
Expenditures on plant and equipment	-	-	-
Mineral rights and exploration expenditure	-	220,972	220,972

	Three months ended March 31, 2014		
	Corporate	Argentina	Total
	\$	\$	\$
Interest income	546	-	546
Depreciation expense	(10,348)	23,708	13,360
Finance and interest charges	2,413	692	3,105
Share-based payment expense	4,940	-	4,940
Income tax (recovery)/expense	-	192	192
Deferred tax recovery	17,328	-	17,328
Loss	607,860	212,668	820,528
Expenditures on plant and equipment	75,715	-	75,715
Mineral rights and exploration expenditure	16,064	278,849	294,913

4. Administrative expenses

	Three months ended March 31,	
	2015	2014
	\$	\$
Administration costs	80,408	138,075
Travel and subsistence	62,972	69,420
Application fees	3,895	11,658
Management and professional fees	403,781	309,328
Salary	206,790	211,225
Depreciation (Note 8)	5,683	7,277
	763,529	746,983

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

5. Related party transactions

The Company's related parties include key management. Key management includes the directors (executive and non-executive) and officers of the Company. Remuneration of key management was as follows:

	Three months ended March 31,	
	2015	2014
	\$	\$
Short-term employee benefits	168,750	164,584
Share-based payments	9,339	4,940
	178,089	169,524
Amounts due to related parties - current	107,200	27,084

Mr. Fornazzari, who is the Company's corporate secretary, is also a partner in Gowling, Lafleur, Henderson LLP, which provided legal services of \$94,903 during the three month period ended March 31, 2015 (2014: \$115,005).

No bonuses were awarded for the period ended March 31, 2015, and the Company does not participate in a pension plan.

On December 6, 2013, the Company entered into a lease for its new London office premises with JayTree Limited, a company wholly-owned by the Company's chairman and chief executive officer, Mr. Koppel.

On January 10, 2014, the Company announced that it had entered into a participation and option agreement with a director of the Company, Mr. R. Auriemma, under which the Company could acquire the sole and exclusive right to participate in any benefits arising from enforcement of an Argentinean court judgment relating to the breach of an agreement between Mr. R. Auriemma and Northern Orion Resources Inc. (since acquired by Yamana Gold Inc. and renamed 0805346 B.C. Ltd.).

On February 14, 2014, the Company closed the participation and option agreement and an option payment of \$1,400,000 was made to Mr. R. Auriemma. The Company has recorded the \$1,400,000 as a current asset in the statement of financial position as the Company believes that it will recover the value of the asset within twelve months. Mr. R. Auriemma has the right to terminate the participation and option agreement commencing on the 365th day following the Argentinean court appointed arbitrator's assessment of the monetary value of court awarded damages or, if later, the date on which any available appeals therefrom are exhausted. The Company may terminate the participation and option agreement at any time.

In the three months ended March 31, 2015, Samco Gold Limited waived \$Nil (December 31, 2014: \$4,750,080) in loans to Samco Gold S.A. and related interest of \$Nil (December 31, 2014: \$220,520).

On December 12, 2014, the Company entered into a share purchase agreement with Mantaro Resources Limited, a company in which the Company's chairman and chief executive officer, Mr. Koppel, has a majority interest, for the acquisition of all the issued and outstanding shares of Samco Minerals S.A. and Cia Dorita MA S.A.C., Mantaro's wholly-owned Peruvian subsidiaries which hold certain exploration and mining concessions over the Dino polymetallic property located in Peru. Subject to meeting certain conditions, closing of the acquisition has been extended to May 31, 2015. In accordance with the share purchase agreement, a total of \$163,543 was owed to Mantaro Resources Limited of which \$107,200 was still outstanding for the three month period ended March 31, 2015 (2014: \$Nil).

The related party transactions are conducted in the normal course of business operations and were measured at the exchange amount, which is the amount agreed to by the related parties.

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Notes to the condensed consolidated interim financial statements

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(Unaudited)

(In United States dollars, except where otherwise stated)

6. Income taxes

The standard rate of corporate tax applicable to the parent company, which is incorporated in the British Virgin Islands, is Nil. The income taxes recognized in the consolidated financial statements of the Company are derived from Samco Gold S.A. and 5R S.A. that operate in Argentina, and Samco Gold Services (UK) Ltd. that operates in the United Kingdom.

Income tax expense differs from the amount that would result from applying the statutory tax rate of 35% (2014: 35%) and 20% (2014: 20%) to income before income taxes in Argentina and the UK, respectively.

These differences result from the following items for three month periods ended March 31, 2015 and 2014:

	2015	2014
	\$	\$
Net loss before income tax	700,594	803,008
Income tax (expense)/recovery at Argentina rates	20,987	74,434
Income tax (expense)/recovery at UK rates	(141)	(1,754)
Differences arising from:		
Permanent differences (exchange rate changes)	106,062	2,234
Alternative minimum tax	(3)	(192)
Change in previously unrecognised net deductible temporary differences	(127,049)	(76,668)
Disallowable expenses	(1,539)	(1,910)
Capital allowances	1,680	3,664
Deferred tax	801	(17,328)
Total income tax expense	798	(17,520)

The following table summarizes the movement in the deferred tax liability for the three month periods ended March 31, 2015 and 2014:

	2015	2014
	\$	\$
Deferred tax liability as at January 1,	18,526	2,832
Deferred tax expense	(801)	17,328
Deferred tax liability as at March 31,	17,725	20,160

The deferred tax liability relates to the temporary differences on the property and equipment in the United Kingdom.

Tax loss carry forward as at December 31, 2014 and March 31, 2015, is as follows:

	\$
Tax loss carried forward at the beginning of the period	755,304
Exchange rate changes	(24,570)
Tax loss carry forward (utilized)/incurred during the period	127,049
Tax loss carry forward at the end of the period	857,783
Valuation allowance	(857,783)
Net	-

The benefit of the total tax loss carry forward described above has not been recognized in these consolidated financial statements. Management does not consider the utilization of deferred tax assets to be likely in the short term.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

6. Income taxes (continued)

Accordingly, deferred income tax assets are appropriately valued at a \$Nil balance as at March 31, 2015, and December 31, 2014. Tax losses carried forward expire five years from the year the loss arose; consequently the above losses will expire between one and five years.

The Company has recognized a deferred tax liability of \$17,725 as at March 31, 2015 (December 31, 2014 - \$18,526). The Company and its subsidiaries are also subject to routine proceedings and tax audits. The Company does not believe that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated earnings, cash flow or financial position.

7. Plant and equipment

	Fixtures and fittings	Computer and office equipment	Vehicles	Machinery	Leashold improvements	Total
	\$	\$	\$	\$	\$	\$
Cost						
As at January 1, 2014	121,749	68,070	144,579	51,821	93,180	479,399
Additions	86,407	19,496	-	-	-	105,903
Disposals	(7,695)	(16,593)	(108,127)	-	-	(132,415)
As at December 31, 2014	200,461	70,973	36,452	51,821	93,180	452,887
Additions	-	-	-	-	-	-
As at March 31, 2015	200,461	70,973	36,452	51,821	93,180	452,887
Accumulated depreciation						
As at January 1, 2014	(23,665)	(47,215)	(62,734)	(10,573)	(67,690)	(211,877)
Depreciation	(19,232)	(19,371)	(8,954)	(5,182)	(25,490)	(78,229)
Disposals	1,596	13,356	47,387	-	-	62,339
As at December 31, 2014	(41,301)	(53,230)	(24,301)	(15,755)	(93,180)	(227,767)
Depreciation	(5,010)	(2,863)	(1,823)	(1,295)	-	(10,991)
As at March 31, 2015	(46,311)	(56,093)	(26,124)	(17,050)	(93,180)	(238,758)
Carrying amount						
As at January 1, 2014	98,084	20,855	81,845	41,248	25,490	267,522
As at December 31, 2014	159,160	17,743	12,151	36,066	-	225,120
As at March 31, 2015	154,150	14,880	10,328	34,771	-	214,129

Of the total depreciation for the three months ended March 31, 2015, \$5,308 (2014: \$21,035) is capitalized to mineral rights and exploration costs as this is directly attributable to the mining operations, and \$5,683 (2013: \$7,277) is expensed.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

8. Mineral rights and exploration assets

Mineral rights and exploration costs movement:

	El Dorado Monserrat	Corina	Other exploration properties	Total
	\$	\$	\$	\$
Balance as at December 31, 2013	18,983,566	4,038,230	137,146	23,158,942
Exploration costs incurred				
Drilling	-	-	-	-
Field costs	182,078	10,443	14,079	206,600
Surface rights	94,916	755	1,340	97,011
Professional fees	29,447	6,473	-	35,920
Geophysics	5,874	-	-	5,874
Lab costs	18,111	222	438	18,771
Geology	451,455	113,667	93,347	658,469
	<u>781,881</u>	<u>131,560</u>	<u>109,204</u>	<u>1,022,645</u>
Balance as at December 31, 2014	19,765,447	4,169,790	246,350	24,181,587
Exploration costs incurred				
Drilling	-	-	-	-
Field costs	49,697	49	-	49,746
Surface rights	28,973	208	-	29,181
Professional fees	2,773	-	-	2,773
Geophysics	-	-	-	-
Lab costs	-	-	-	-
Geology	57,056	23,229	58,987	139,272
	<u>138,499</u>	<u>23,486</u>	<u>58,987</u>	<u>220,972</u>
Balance as at March 31, 2015	19,903,946	4,193,276	305,337	24,402,559

The Company currently maintains mineral property rights for mainly gold and silver exploration in Argentina's Santa Cruz Province. There is no foreseeable time limit over which the Company can explore the properties.

On May 29, 2014, the Company announced that a binding letter of intent had been signed with Pan American Silver Corp. ("PAS") to grant PAS the exclusive option to acquire a 60% interest in the El Dorado Monserrat project in Santa Cruz Province, Argentina ("EDM"). As a precondition to PAS exercising its option PAS is to conduct further work, including drilling at EDM equivalent to at least \$2,000,000, followed by the preparation of a technical report. Upon exercising the option, PAS is to make a one-time payment to the Company of \$5,000,000. The letter of intent was due to terminate if a definitive agreement between the parties' Argentinean subsidiaries had not been entered into by October 1, 2014. On September 30, 2014, November 3, 2014, December 1, 2014, and February 2, 2015, the Company announced extensions of the binding letter of intent's termination. On February 9, 2015, the Company announced that the definitive option agreement had been executed.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

9. Share capital, warrants and share options

a) Share capital

Common shares	Three months ended March 31, 2015		Year ended December 31, 2014	
	Shares	Amount \$	Shares	Amount \$
Balance at beginning of the year	65,076,075	45,423,567	65,076,075	45,423,567
Balance at end of the year	65,076,075	45,423,567	65,076,075	45,423,567

b) Warrants and share options

Warrants

The warrants that expired during the year ended December 31, 2013, had a fair value of \$900,802 on the date they were granted.

Share options

The Company has in place a stock option plan (the "Option Plan"), which, under the policies of the TSX Venture Exchange, requires re-approval at each annual meeting of shareholders of the Company.

The Option Plan is a "rolling" stock option plan, pursuant to which the number of common shares that may be issued upon exercise of options may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time and such aggregate number of common shares automatically increases or decreases as the number of issued and outstanding common shares of the Company changes.

The Option Plan was established to promote the profitability and growth of the Company, facilitating the efforts of the Company to obtain and retain key individuals by encouraging their ownership of the Company's shares so that they benefit from increases in the value of the Company's shares. If the Option Plan is not approved by the shareholders at the annual meeting, the Company will not be able to grant any further options under the Option Plan and the Company will have to consider other methods of compensation, such as increased cash compensation.

The following table summarizes information about share options outstanding as at March 31, 2015:

Number outstanding	Number vested and exercisable	Exercise price (CDN \$)	Expiry date	Weighted average remaining contractual life (years)
4,650,000	4,650,000	1.10	July 6, 2016	1.27
100,000	100,000	1.10	August 22, 2016	1.40
100,000	100,000	1.10	August 22, 2016	1.40
200,000	50,000	1.10	August 22, 2016	1.40
500,000	500,000	1.10	March 27, 2017	1.99
200,000	200,000	0.35	October 4, 2017	2.52
200,000	-	0.17	June 3, 2019	4.18
325,000	-	0.22	July 13, 2019	4.29
6,275,000	5,600,000			1.62

Samco Gold Limited

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(Unaudited)

(In United States dollars, except where otherwise stated)

9. Share capital, warrants and share options (continued)

b) Warrants and share options (continued)

Share options (continued)

	Note	Number	Weighted average exercise price (CDN \$)
Balance as at December 31, 2013		5,750,000	1.07
Granted	(i)	525,000	0.20
Balance as at December 31, 2014		6,275,000	1.00
Granted		-	-
Balance as at March 31, 2015		6,275,000	1.00

(i) On June 3, 2014, 200,000 share options were granted at CDN \$0.17. These options will vest if the individual is still employed eighteen months from the grant date.

On July 13, 2014, 325,000 share options were granted at CDN \$0.22. These options will vest if the employees are still employed eighteen months from the grant date.

The following table summarizes the range of inputs used by the Company in calculating the share-based payment expense using the Black-Scholes option-pricing model:

Issue/modification date	October 4, 2012	June 3, 2014	July 13, 2014
Expected dividend yield	-	-	-
Expected volatility	88%	95%	96%
Risk free rate	1.23%	1.61%	1.39%
Expected life (years)	4	5	4
Fair value per option (CDN \$)	0.07	0.10	0.15

c) Share-based payment reserve

During the three months ended March 31, 2015, the Company expensed \$9,339 (2014: \$4,940) in relation to the fair value of these options.

d) Loss per share

The calculation of basic loss per share is based on the net loss of \$699,797 for the three months ended March 31, 2015 (2014: \$820,528) and on the total weighted average number of common shares of 65,076,075 outstanding during the three months ended March 31, 2015 and 2014.

Effect on diluted earnings per share

200,000 of the share options have a dilutive effect on the diluted earnings per share as they are fully vested and in the money as at March 31, 2015, and therefore they were included in the diluted loss per share calculation for the period on a weighted average basis. The remaining share options have an anti-dilutive effect on the diluted loss per share disclosed in the consolidated statement of loss and comprehensive loss or had not vested as at March 31, 2015, and therefore were not included in the diluted earnings per share calculation for the period.

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(Unaudited)

(In United States dollars, except where otherwise stated)

10. Operating commitments

Commitments in force were as follows:

	As at March 31, 2015	As at December 31, 2014
	\$	\$
In respect of:		
Surface rights	27,000	43,000
Total	27,000	43,000

There are two separate contracts for surface rights covering the EL Dorado and Monserrat properties. The costs are spread evenly over the terms of the contracts.

11. Operating lease commitments

The Company leases offices in the UK and in Argentina. The term of the office lease in Argentina is for three years and expires on July 31, 2017. The term of the office lease in the UK is for four years and five months and expires on May 5, 2018.

The future minimum lease payments under the non-cancellable portion of the operating leases are as follows:

	As at March 31, 2015	As at December 31, 2014
	\$	\$
No later than 1 year	152,625	158,113
Later than 1 year and no later than 5 years	292,884	343,379
Later than 5 years	-	-
Total	445,509	501,492

12. Financial instruments and risk management

a) Capital risk management

The Company's objectives in managing its capital are to ensure the Company's ability to continue as a going concern, to meet its capital expenditures for its continued exploration programs in Argentina, and to maintain a flexible capital structure of equity and debt financing to optimize the costs of capital with minimal risks. The Company considers the items included in shareholders' equity to be capital. The Board of Directors monitors the Company's capital position on a regular basis.

The Company is sensitive to both changes in foreign exchange rates and commodity prices.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

12. Financial instruments and risk management (continued)

b) Liquidity risk management

The following table has been prepared based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company could be required to pay. The Company is currently pursuing future financing options.

As at March 31, 2015					
	< 1 month	1-3 months	3 months to 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	-	453,725	-	-	453,725
Due to related parties	-	107,200	-	-	107,200
	-	560,925	-	-	560,925

As at December 31, 2014					
	< 1 month	1-3 months	3 months to 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	-	440,838	-	-	440,838
Due to related parties	-	-	-	-	-
	-	440,838	-	-	440,838

c) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies, and consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by maintaining low levels of foreign currencies and related obligations that are perceived to be volatile. The carrying amount of the Company's foreign currency denominated assets and monetary liabilities at the end of the reporting period, in United States dollars is:

	As at March 31, 2015		As at December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
	\$	\$	\$	\$
Argentine pesos	100,844	259,532	58,056	291,832
United Kingdom sterling	50,079	34,531	253,831	35,033
Canadian dollars	53,610	177,387	120,876	132,499
	204,533	471,450	432,763	459,364

Based on the March 31, 2015, balances and applying a movement in the exchange rate of 5%, had the United States dollar strengthened (weakened) against the Argentine peso, the Company's equity would have been \$7,934 (lower) higher. Had the United States dollar strengthened (weakened) against the United Kingdom sterling, the Company's equity would have been \$777 lower (higher). Had the United States dollar strengthened (weakened) against the Canadian dollar, the Company's equity would have been \$6,189 (lower) higher. The Company's cash is predominantly held in United States dollars other than as needed in the ordinary course of business.

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March 31, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

13. Financial instruments and risk management (continued)

d) Title risk

Title to mineral properties and exploration rights involves certain inherent risks due to the potential for problems arising from the ambiguous conveyance history characteristic of many mining properties and from political risk associated with the countries in which the Company carries out its exploration activities. The Company has taken all reasonable steps to ensure it has proper title to its properties. However, no guarantees can be provided that there are no unregistered agreements, claims or defects, which may result in the Company's title to its properties being challenged. Furthermore, the Company requires a number of different permits and licenses in order to carry on its business and there can be no assurance that they will be renewed upon expiry.

e) Credit risk management

The Company's main credit risk arises from its cash deposit with banks, of which there is \$290,376 deposited as at March 31, 2015 (December 31, 2014: \$1,048,065). The Company limits its counterparty credit risk on its deposits by dealing only with financial institutions with high credit ratings.

f) Fair value hierarchy

The Company applies a three-tier hierarchy to classify the determination of fair value measurements for disclosure purposes. Inputs refer broadly to the data and assumptions that market participants would use in pricing the investment. Observable inputs are inputs that are based on market data from independent sources. Unobservable inputs are inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing an investment based on the best information available in the circumstances. The three-tier hierarchy of inputs is as follows:

Level 1 - quoted prices in active markets for identical investments.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for the investment that are not based on observable market data (unobservable inputs).

The Company currently has cash at Level 1.

Categories of financial instruments:

Carrying amount	Classification	As at March 31, 2015 \$	As at December 31, 2014 \$
Financial assets			
Cash	loans and receivables	290,376	1,048,065
Receivables	loans and receivables	1,451,265	1,453,373
Financial liabilities			
Accounts payable and accrued liabilities	Other liability	453,725	440,838
Due to related parties	Other liability	107,200	-

Cash in the statement of financial position comprises cash at banks and on hand. As at March 31, 2015, and December 31, 2014, there are no cash equivalents. The carrying value of cash and receivables approximates their fair values. The accounts payable and accrued liabilities and due to related parties have remaining terms of less than one year. Therefore, their carrying values approximate their fair values.