

Condensed consolidated interim financial statements of

Samco Gold Limited

As at and for the three and nine months ended September 30, 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

As at and for the three and nine months ended September 30, 2015

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Samco Gold Limited

Condensed consolidated interim statements of loss and comprehensive loss three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

	Three months		Nine months	
	ended September 30,		ended September 30,	
	2015	2014	2015	2014
		\$		\$
Interest income	-	56	5	1,155
Administrative expenses (Note 4)	(548,961)	(514,488)	(2,215,031)	(1,836,702)
Finance and interest charges	(34,274)	(3,286)	(39,982)	(8,869)
Foreign exchange (loss)/gain	94,375	22,288	164,921	(17,223)
Share-based payment expense (Note 9(c))	(8,760)	(9,497)	(27,319)	(15,900)
Loss before tax	(497,620)	(504,927)	(2,117,406)	(1,877,539)
Current tax expense	(53)	(25)	(97)	(187)
Deferred tax	758	599	2,316	(16,515)
Income tax (Note 6)	705	574	2,219	(16,702)
Loss and comprehensive loss	(496,915)	(504,353)	(2,115,187)	(1,894,241)
Loss per share, basic and diluted (Note 9(d))	(0.01)	(0.01)	(0.03)	(0.03)
Weighted average number of shares outstanding, basic and diluted	65,076,075	65,076,075	65,076,075	65,076,075

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

Samco Gold Limited

Condensed consolidated interim statements of financial position as at September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

	September 30, 2015	December 31, 2014
	\$	\$
Assets		
Non-current assets		
Plant and equipment (Note 7)	193,526	225,120
Mineral rights and exploration assets (Note 8)	24,737,332	24,181,587
Prepaid assets	918,048	963,900
Receivables	46,225	53,373
Total non-current assets	25,895,131	25,423,980
Current assets		
Cash	110,041	1,048,065
Prepaid assets	150,415	150,434
Receivables (Note 5)	1,400,000	1,400,000
Total current assets	1,660,456	2,598,499
Total assets	27,555,587	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))	4,996,839	4,969,520
Deficit	(25,845,961)	(23,730,774)
Total equity	25,475,247	27,563,115
Non-current liabilities		
Deferred tax liability (Note 6)	16,210	18,526
Due to related parties (Note 5)	1,030,666	-
Accrued liabilities	104,033	-
Total non-current liabilities	1,150,909	18,526
Current liabilities		
Due to related parties (Note 5)	635,435	-
Accounts payable and accrued liabilities	293,996	440,838
Total current liabilities	929,431	440,838
Total liabilities	2,080,340	459,364
Total equity and liabilities	27,555,587	28,022,479

Approved by the Board on November 19, 2015

"John Hick" _____ Director

"Charles Koppel" _____ Director

Samco Gold Limited

Condensed consolidated interim statements of changes in equity nine months ended September 30, 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	-	-	-	(1,894,241)	(1,894,241)
Share-based payment expense (Notes 9(b) and 9(c))	-	-	15,900	-	15,900
Balance as at September 30, 2014	45,423,567	900,802	4,959,357	(23,040,941)	28,242,785
Loss for the period attributable to shareholders	-	-	-	(689,833)	(689,833)
Share-based payment expense (Notes 9(b) and 9(c))	-	-	10,163	-	10,163
Balance as at December 31, 2014	45,423,567	900,802	4,969,520	(23,730,774)	27,563,115
Loss for the period attributable to shareholders	-	-	-	(2,115,187)	(2,115,187)
Share-based payment expense (Notes 9(b) and 9(c))	-	-	27,319	-	27,319
Balance as at September 30, 2015	45,423,567	900,802	4,996,839	(25,845,961)	25,475,247

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

Samco Gold Limited

Condensed consolidated interim statements of cash flows three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Operating activities				
Loss for the period	(496,915)	(504,353)	(2,115,187)	(1,894,241)
Interest income	-	(56)	(5)	(1,155)
Foreign exchange (gain)/loss	(94,375)	(22,288)	(164,921)	17,223
Share-based payment expense (Note 9(c))	8,760	9,497	27,319	15,900
Depreciation (Note 7)	5,165	6,850	16,013	22,114
Disposals of plant and equipment (Note 7)	-	35,224	-	44,560
Deferred tax (Note 6)	(758)	(599)	(2,316)	16,515
	(578,123)	(475,725)	(2,239,097)	(1,779,084)
Movements in working capital				
Decrease in receivables	7,744	1,475	7,148	(5,693)
Decrease in prepaid assets	145,836	(8,867)	45,871	144,498
(Decrease) in accounts payable and accrued liabilities	(468,609)	(141,950)	(42,809)	(141,257)
Increase/(decrease) in amounts due to related parties	539,480	-	1,666,101	-
Net cash used in operating activities	(353,672)	(625,067)	(562,786)	(1,781,536)
Investing activities				
Investment in mineral property rights and exploration costs (Note 8)	(128,176)	(235,070)	(540,164)	(732,402)
Interest income	-	56	5	1,155
(Increase) in receivable (Note 5)	-	-	-	(1,400,000)
Purchase of plant and equipment (Note 7)	-	(1,427)	-	(105,903)
Net cash used in investing activities	(128,176)	(236,441)	(540,159)	(2,237,150)
Effect of foreign exchange rate changes on cash	94,375	22,288	164,921	(17,223)
Increase/(decrease) in cash	(387,473)	(839,220)	(938,024)	(4,035,909)
Cash at the beginning of the period	497,514	2,576,650	1,048,065	5,773,339
Cash at the end of the period	110,041	1,737,430	110,041	1,737,430

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 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 and nine month periods ended September 30, 2015 and 2014.

These unaudited condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2015 and 2014 have been prepared by management and authorized for issuance by the Board of Directors of the Company on November 19, 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 \$2,115,187 for the nine months ended September 30, 2015 (2014: \$1,894,241). As the Company has not yet achieved profitable operations, the Company has, since its inception, accumulated a deficit to September 30, 2015, of \$25,845,961 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

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

2. Significant accounting policies (continued)

adjustments to the recoverability and classification of certain asset amounts, classification of certain liabilities and 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 September 30, 2015		
	Corporate	Argentina	Total
	\$	\$	\$
Non-current assets	723,539	25,171,592	25,895,131
Current assets	1,550,194	110,262	1,660,456
Non-current liabilities	1,046,876	104,033	1,150,909
Current liabilities	671,774	257,657	929,431

	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 as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

3. Segment information (continued)

	Three months ended September 30, 2015		
	Corporate	Argentina	Total
	\$	\$	\$
Interest income	-	-	-
Depreciation expense	3,788	1,377	5,165
Finance and interest charges	33,254	1,020	34,274
Share-based payment expense	8,760	-	8,760
Income tax expense	-	53	53
Deferred tax recovery	(758)	-	(758)
Loss	454,903	42,012	496,915
Mineral rights and exploration expenditure	-	133,283	133,283

	Three months ended September 30, 2014		
	Corporate	Argentina	Total
	\$	\$	\$
Interest income	56	-	56
Depreciation expense	4,613	2,237	6,850
Finance and interest charges	1,804	1,482	3,286
Share-based payment expense	9,497	-	9,497
Income tax recovery	-	25	25
Deferred tax recovery	(599)	-	(599)
Loss/(income)	426,419	77,934	504,353
Expenditures on plant and equipment	1,427	-	1,427
Mineral rights and exploration expenditure	(6)	233,155	233,149

	Nine months ended September 30, 2015		
	Corporate	Argentina	Total
	\$	\$	\$
Interest income	5	-	5
Depreciation expense	11,579	4,434	16,013
Finance and interest charges	36,158	3,824	39,982
Share-based payment expense	27,319	-	27,319
Income tax expense	-	97	97
Deferred tax recovery	(2,316)	-	(2,316)
Loss/(income)	1,833,667	281,520	2,115,187
Mineral rights and exploration expenditure	-	555,745	555,745

	Nine months ended September 30, 2014		
	Corporate	Argentina	Total
	\$	\$	\$
Interest income	1,155	-	1,155
Depreciation expense	14,521	7,593	22,114
Finance and interest charges	5,967	2,902	8,869
Share-based payment expense	15,900	-	15,900
Income tax expense	-	187	187
Deferred tax expense	16,515	-	16,515
Loss/(income)	6,422,129	(4,527,888)	1,894,241
Expenditures on plant and equipment	105,091	812	105,903
Mineral rights and exploration expenditure	17,109	755,441	772,550

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

4. Administrative expenses

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Administration costs	93,028	59,726	229,002	249,977
Travel and subsistence	37,963	66,293	119,222	192,660
Application fees	11,794	5,985	30,924	25,038
Management and professional fees	177,197	161,900	1,167,703	696,522
Salary	223,814	213,734	652,167	650,391
Depreciation (Note 8)	5,165	6,850	16,013	22,114
	548,961	514,488	2,215,031	1,836,702

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 September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Short-term employee benefits	168,750	168,750	506,250	502,084
Share-based payments	8,760	9,497	27,319	15,900
	177,510	178,247	533,569	517,984
Amounts due to related parties - current	233,235	-	635,435	-
Amounts due to related parties - non-current	530,666	-	1,030,666	-

No bonuses were awarded for the period ended September 30, 2015, and the Company does not participate in a pension plan.

Mr. Fornazzari, who is the Company's corporate secretary, was also a partner in Gowling, Lafleur, Henderson LLP, which provided legal services during the three month period ended September 30, 2015. A discount of \$35,402 was granted during this three month period (2014: \$38,638). The value of the services billed by Gowling, Lafleur, Henderson LLP, in the nine months ended September 30, 2015, was \$101,665 (2014: \$191,094).

Mr. Fornazzari joined Fasken Martineau DuMoulin LLP law firm during the three month period ended September 30, 2015, which provided legal services of \$9,927 during the respective period (2014: \$Nil). The value of the services billed by Fasken Martineau, in the nine months ended September 30, 2015, was \$9,927 (2014: \$Nil).

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. Refer to note 11 for further disclosure.

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

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

5. *Related party transactions (continued)*

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 September 30, 2015, Samco Gold Limited waived \$Nil (2014: \$Nil) in loans to Samco Gold S.A. and related interest of \$Nil (2014: \$Nil).

In the nine months ended September 30, 2015, Samco Gold Limited waived \$Nil (2014: \$4,750,080) in loans to Samco Gold S.A. and related interest of \$Nil (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. In accordance with the share purchase agreement, a total of \$680,134 has accrued to Mantaro Resources Limited of which \$567,200 was still outstanding as at September 30, 2015 (2014: \$Nil).

As a condition precedent to closing of the agreement between the Company and Mantaro, the Company was required to secure funding of not less than US\$5,000,000. Given the current economic climate, as well as the strategic litigation commenced by 0805346 B.C. Ltd. and Yamana Gold Inc. against the Company (see above), the Company has been unable to secure the required funding pursuant to the agreement and therefore the transaction has not yet closed. Whilst the parties continue to assess the transaction the Company no longer has exclusivity and therefore there is no guarantee that the transaction will close.

On June 30, 2015, the Company announced that it has closed the first tranche of \$1,000,000 of its non-brokered private placement (the "Private Placement") of up to \$5,000,000 principal amount convertible notes bearing 12% interest and maturing December 30, 2016 (the "Notes"). The principal amount of the Notes is convertible at the option of the holder into common shares of the Company at a deemed price of CDN \$0.50 per share. Immediately prior to the conversion of the principal amount (in whole or in part), the amount will be deemed to first be converted to Canadian dollars at the Bank of Canada noon rate between Canadian dollars and U.S. dollars (the "Noon Rate") on June 26, 2015, being \$1 = CDN \$1.2359. Interest outstanding on the converted amount may, at the holder's election, but subject to the approval of the TSX Venture Exchange (the "TSXV"), be settled by the issue of common shares of the Company at the market price of such shares at the time of settlement, being the most recent price of the common shares on the TSXV prior to the conversion, which will be converted into U.S. dollars based on the applicable Noon Rate on the first business day preceding the relevant conversion.

The purchasers of the first tranche of Notes having a principal amount of \$500,000 each, were Sentient Global Resources Fund IV, L.P. ("Sentient"), a >10% shareholder of the Company, and Mantaro Resources Limited ("Mantaro"), a company in which the Company's Chairman and Chief Executive Officer, Mr Koppel, a >10% shareholder of the Company, has a majority interest; therefore the closing of the first tranche of the Private Placement constituted a related party transaction pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") and TSX Venture Exchange Policy 5.9. The Board of the Company consists of six directors, four of whom are unrelated to Sentient and Mantaro, and are otherwise independent as determined pursuant to Part 7 of MI 61-101. The independent directors approved the participation of Sentient and Mantaro in the Private Placement.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

In the three months ended September 30, 2015, Samco Gold Limited received \$500,000 (2014: \$Nil) in respect of the private placement and related interest of \$30,666 was accrued (2014: \$Nil).

In the nine months ended September 30, 2015, Samco Gold Limited received \$1,000,000 (2014: \$Nil) in respect of the private placement and related interest of \$30,666 was accrued (2014: \$Nil).

In consideration of the size of the first tranche of the Private Placement, the Company relied upon the "fair market value not more than 25% of market capitalization" exemptions from the requirements to obtain a formal valuation and minority shareholder approval in Sections 5.5(a) and 5.7(a) of MI 61-101 respectively. On July 21, 2015, the Company also filed a material change report on SEDAR (www.sedar.com) regarding the Private Placement. The material change report was filed less than 21 days prior to the closing of the Private Placement due to the Company's immediate need for financing.

On November 18, 2015, the Company announced that it has closed the second tranche of \$500,000 of its non-brokered private placement of up to \$5,000,000 principal amount convertible notes.

In the three months ended September 30, 2015, Samco Gold Limited paid \$3,200 (2014: \$Nil) to a director of the Company, Mr. R. Auriemma in respect of Argentinean office expenses.

In the nine months ended September 30, 2015, Samco Gold Limited paid \$3,200 (2014: \$Nil) to a director of the Company, Mr. R. Auriemma in respect of Argentinean office expenses.

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.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(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:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
			\$	\$
Net loss before income tax	497,620	504,927	2,117,406	1,877,539
Income tax (expense)/recovery at Argentina rates	14,702	27,277	98,532	(1,584,761)
Income tax (expense)/recovery at UK rates	(657)	(993)	(2,387)	(5,473)
Differences arising from:				
Permanent differences (exchange rate changes)	120,997	360	295,646	2,772
Alternative minimum tax	(53)	(25)	(97)	(187)
Change in previously unrecognised net deductible temporary differences	(135,699)	(27,637)	(394,178)	1,581,989
Disallowable expenses	(1,241)	(1,297)	(3,537)	(4,790)
Capital allowances	1,898	2,290	5,924	10,263
Deferred tax	758	599	2,316	(16,515)
Total income tax expense	705	574	2,219	(16,702)

The following table summarizes the movement in the deferred tax liability:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
			\$	\$
Deferred tax movement for the period	(758)	(599)	(2,316)	16,515
Deferred tax liability at the end of the period	16,210	19,347	16,210	19,347

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 September 30, 2015, is as follows:

	\$
Tax loss carried forward at the beginning of the period	755,304
Exchange rate changes	(86,139)
Tax loss carry forward (utilized)/incurred during the period	394,178
Tax loss carry forward at the end of the period	1,063,343
Valuation allowance	(1,063,343)
Net	-

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

6. Income taxes (continued)

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

Accordingly, deferred income tax assets are appropriately valued at a \$Nil balance as at September 30, 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 \$16,210 as at September 30, 2015 (December 31, 2014 - \$18,526). The Company is 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	Leasehold 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 September 30, 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	(15,035)	(7,205)	(5,468)	(3,886)	-	(31,594)
As at September 30, 2015	(56,336)	(60,435)	(29,769)	(19,641)	(93,180)	(259,361)
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 September 30, 2015	144,125	10,538	6,683	32,180	-	193,526

Of the total depreciation for the three months ended September 30, 2015, \$5,106 (2014: (\$1,920)) is capitalized to mineral rights and exploration costs as this is directly attributable to the mining operations, and \$5,165 (2014: \$6,850) is expensed.

Of the total depreciation for the nine months ended September 30, 2015, \$15,581 (2014: \$40,148) is capitalized to mineral rights and exploration costs as this is directly attributable to the mining operations, and \$16,013 (2014: \$22,114) is expensed.

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(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	73,575	92	124	73,791
Surface rights	73,883	580	992	75,455
Professional fees	7,199	-	-	7,199
Geophysics	-	-	-	-
Lab costs	-	-	-	-
Geology	248,361	52,853	98,086	399,300
	<u>403,018</u>	<u>53,525</u>	<u>99,202</u>	<u>555,745</u>
Balance as at September 30, 2015	<u>20,168,465</u>	<u>4,223,315</u>	<u>345,552</u>	<u>24,737,332</u>

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. On February 9, 2015, the Company announced that the definitive option agreement had been executed.

PAS has not yet commenced any activity pursuant to this agreement as a result of the litigation commenced by 0805346 B.C. Ltd. and Yamana Gold Inc. (see above) in which an interest is claimed in the El Dorado Monserrat property. The Company is assessing its options in respect of any damage it may suffer as a result of this litigation, which the Company views as purely strategic and without merit.

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(Unaudited)

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9. Share capital, warrants and share options

a) Share capital

Common shares	Nine months ended September 30, 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 September 30, 2015:

Number outstanding	Number vested and exercisable	Exercise price (CDN \$)	Expiry date	Weighted average remaining contractual life (years)
2,900,000	2,900,000	1.10	July 6, 2016	0.77
500,000	500,000	1.10	March 27, 2017	1.49
100,000	100,000	0.35	October 4, 2017	2.01
200,000	-	0.17	June 3, 2019	3.68
245,000	-	0.22	July 13, 2019	3.79
3,945,000	3,500,000			1.23

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(Unaudited)

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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
Cancelled	(ii)	- 2,330,000	1.04
Balance as at September 30, 2015		3,945,000	0.98

(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.

(ii) On June 4, 2015, 400,000 share options with an exercise price of CDN \$1.10 were cancelled.

1,750,000 of the total share options granted on July 6, 2011 with an exercise price of CDN \$1.10 were cancelled during the three month period ended September 30, 2015.

100,000 of the total share options granted on October 4, 2012 with an exercise price of CDN \$0.35 were cancelled during the three month period ended September 30, 2015.

80,000 of the total share options granted on July 13, 2014 with an exercise price of CDN \$0.22 were cancelled during the three month period ended September 30, 2015.

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 September 30, 2015, the Company expensed \$8,760 (2014: \$9,497) in relation to the fair value of these options.

During the nine months ended September 30, 2015, the Company expensed \$27,319 (2014: \$15,900) in relation to the fair value of these options.

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

d) Loss per share

The calculation of basic and diluted loss per share is based on the net loss of \$496,915 for the three months ended September 30, 2015 (2014: \$504,353) and on the total weighted average number of common shares of 65,076,075 outstanding during the three months ended September 30, 2015 and 2014.

The calculation of basic and diluted loss per share is based on the net loss of \$2,115,187 for the nine months ended September 30, 2015 (2014: \$1,894,241) and on the total weighted average number of common shares of 65,076,075 outstanding during the nine months ended September 30, 2015 and 2014.

Effect on diluted earnings per share

The 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 September 30, 2015, and therefore were not included in the diluted earnings per share calculation for the period.

10. Operating commitments

Commitments in force were as follows:

	As at September 30, 2015	As at December 31, 2014
	\$	\$
In respect of:		
Surface rights	115,000	43,000
Total	115,000	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. The term of the office lease in the UK is for four years and five months and expires on May 5, 2018. An office lease in Argentina was terminated during the three months ended June 30, 2015.

The future minimum lease payments of the operating leases are as follows:

	As at September 30, 2015	As at December 31, 2014
	\$	\$
No later than 1 year	119,133	158,113
Later than 1 year and no later than 5 years	190,286	343,379
Later than 5 years	-	-
Total	309,419	501,492

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Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

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.

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 continues to pursue future financing options and has completed the Private Placement for \$5,000,000 as disclosed in note 5.

As at September 30, 2015					
	< 1 month	1-3 months	3 months to 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	293,996	-	-	-	293,996
Due to related parties	68,235	567,200	-	1,030,666	1,666,101
	362,231	567,200	-	1,030,666	1,960,097
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

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Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

12. *Financial instruments and risk management (continued)*

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 September 30, 2015		As at December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
	\$	\$	\$	\$
Argentine pesos	27,428	361,690	58,056	291,832
United Kingdom sterling	48,418	21,717	253,831	35,033
Canadian dollars	24,276	10,693	120,876	132,499
	100,122	394,100	432,763	459,364

Based on the September 30, 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 \$16,713 higher (lower). Had the United States dollar strengthened (weakened) against the United Kingdom sterling, the Company's equity would have been \$1,335 lower (higher). Had the United States dollar strengthened (weakened) against the Canadian dollar, the Company's equity would have been \$679 higher (lower). The Company's cash is predominantly held in United States dollars other than as needed in the ordinary course of business.

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 \$110,041 deposited as at September 30, 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.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements as at and for three and nine months ended September 30, 2015

(Unaudited)

(In United States dollars, except where otherwise stated)

12. *Financial instruments and risk management (continued)*

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 September 30, 2015	As at December 31, 2014
		\$	\$
Financial assets			
Cash	loans and receivables	110,041	1,048,065
Receivables	loans and receivables	1,446,225	1,453,373
Financial liabilities			
Accounts payable and accrued liabilities	Other liability	293,996	440,838
Due to related parties	Other current liability	635,435	-
Due to related parties	Other non-current liability	1,030,666	-

Cash in the statement of financial position comprises cash at banks and on hand. As at September 30, 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 have remaining terms of less than one year and the amounts due to related parties have remaining terms of both less than and more than one year. The carrying values of the other liabilities both current and non-current approximate their fair values.