Management's Discussion and Analysis for the year ended December 31, 2011

Samco Gold Limited

Prepared as at April 25, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following Management's Discussion and Analysis ("MD&A") is prepared as at April 25, 2012 and is intended to assist the reader to assess material changes in the financial condition and results of operations of Samco Gold Limited (the "Company") as at, and for the year ended December 31, 2011 and 2010.

This MD&A should be read in conjunction with the audited consolidated financial statements of the Company including the supporting notes thereto. The Company's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in United States dollars, unless otherwise identified.

Caution Regarding Forward Looking Statements

This MD&A contains statements which may be considered forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change except as required by applicable securities laws. Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include changes in market conditions, fluctuations in the currency markets (including Canadian and United States dollars, United Kingdom sterling and the Argentine peso), changes in national and local governments, legislation, taxation, controls, regulations, and political or economic developments in Canada, the United Kingdom and Argentina or other countries in which the Company may carry on business in the future; operating or technical difficulties in connection with exploration activities; risks and hazards associated with the business of mineral exploration and development (including environmental hazards or industrial accidents); risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; inadequate insurance or inability to obtain insurance to cover these risks and hazards and the presence of laws and regulations that may impose restrictions on mining, including those currently enacted in Argentina; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with operational inputs and labour; the speculative nature of mineral exploration, including the risks of obtaining necessary licenses, permits and approvals from government authorities; business opportunities that may be presented to, or pursued by the Company; the Company's ability to successfully integrate acquisitions; challenges to, or difficulty in maintaining, the Company's title to properties; and the factors identified under "Risk Factors" in the Company's prospectus dated June 27, 2011 ("Prospectus") and other risk factors discussed or referred to in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Investors are cautioned against attributing undue certainty to forward-looking statements.

Company Overview

The Company is a mineral exploration company that acquires, explores and develops mineral properties, primarily gold and silver, in Argentina. The Company owns approximately 55,000 hectares of concessions comprising ten projects all of which are located on the Deseado Massif in the Province of Santa Cruz, Argentina.

The Company's principal project comprises the El Dorado-Monserrat properties and the adjacent Judite property which together cover approximately 8,000 hectares and on which the Company has identified six key target areas for further exploration. This project is situated contiguous to the western boundary of the license area of the Cerro Vanguardia gold-silver mine operated by AngloGold Ashanti Limited.

The Company owns further concessions strategically distributed throughout the Deseado Massif proximal to major silver-gold mines and advanced projects.

All of the Company's properties are at an early stage of exploration. The Company proposes to continue exploration work in an effort to define a gold resource at the El Dorado-Monserrat and Judite projects and to further explore each of its other properties.

Overview

Significant milestones achieved during the year ended December 31, 2011 include the following:

- On March 31, 2011 the Company retired $1,518,446 in debt through the issuance of 18,990,000 common shares, thus reducing the overall debt of the Company and strengthening the balance sheet of the Company in the process.

- On March 31, 2011 the Company increased its interest in Samco Gold S.A. to 100%, giving it complete control over Samco Gold S.A.'s mineral rights for exploration.

- Further to arms' length negotiations, on March 31, 2011 the Company acquired 5R S.A. including the El Dorado-Monserrat properties, adding not only a significant asset base to the Company but also significantly strengthening the Company's country management and geological team.

- On March 31, 2011 the Company raised $1,028,300 at CDN $0.50 per share through a private placement financing with the Perpetual Metier Mutual Fund, in order to fund the first instalment due to the former owners of 5R S.A. and to fund the Company through the process of its Initial Public Offering ("IPO").

- On May 25, 2011 the Company's new board was formed including the appointment of experienced executive and non-executive directors to lead the Company through its IPO and planned exploration program.

- On July 6, 2011 the Company closed its IPO of 22,727,272 common shares at a price of CDN $1.10 per common share for gross proceeds of CDN $25,000,000.

- On July 7, 2011 the Company incorporated a new 100% owned subsidiary, Samco Gold Services (UK) Ltd., a company incorporated in the United Kingdom.

- On July 8, 2011 the Company's common shares commenced trading on the TSX Venture Exchange under the symbol SGA.

- On August 5, 2011 a portion of the over-allotment option previously granted to the underwriters by the Company in connection with the IPO was exercised and 2,348,803 common shares of the Company were issued at a price of CDN $1.10 per common share for gross proceeds to the Company of CDN $2,583,683.

- On October 27, 2011 the Company announced an update on its progress in the field and the initial results from holes MVDDH001 and MVDDH004 - refer to the operational developments section for the details of the announcement.

- On December 14, 2011 the Company announced further results from the Monserrat Sector – these are detailed within the operational developments section below.

Selected Financial Information

The following table sets out selected financial information for the Company and should be read in conjunction with the Company's audited consolidated financial statements as at, and for the years ended, December 31, 2011, and December 31, 2010:

	As at December 31, 2011 ($)	As at December 31, 2010 ($)
Assets		
Current Assets	20,459,805	9,096
Total Assets	35,830,626	91,696
Liabilities		
Current Liabilities	539,588	1,444,337
Total Liabilities	625,424	1,508,680
Working Capital (Deficiency)	19,920,217	(1,435,241)
Shareholders' Equity		
Issued Capital	45,423,567	10,000
Warrants and Share Based Premium Reserve	2,591,176	0
Deficit	(12,809,540)	(1,442,507)
Shareholders' Equity (Deficit)	35,205,203	(1,416,984)

	For the year ended December 31, 2011 ($)	For the year ended December 31, 2010 ($)
Total Net (Loss)	(5,814,778)	(892,333)
Per common share, basic and fully diluted	(0.14)	(89.23)
Weighted average number of shares outstanding	42,291,277	10,000

	For the three months ended December 31, 2011 ($)	For the three months ended December 31, 2010 ($)
Total Net (Loss)	(1,570,971)	(286,207)
Per common share, basic and fully diluted	(0.02)	(28.62)
Weighted average number of shares outstanding	65,076,075	10,000

Financial Overview

For the year ended December 31, 2011

As at December 31, 2011, having commenced operations in late September, the Company has incurred $1,849,874 in exploration costs.

For the year ended December 31, 2011, the Company recorded a net loss before non-controlling interest of $5,814,858 (2010: $892,358). This was principally as a result of incurring administrative expenses of $2,754,145 (2010: $761,275), foreign exchange losses of $1,322,686 (2010: $1,967) as a result of the volatile relationship between the US dollar and the Canadian dollar during the year and a share-based payment expense of $1,690,374 (2010: $nil) resulting from the grant of options.

Administrative expenses consisted of management and professional fees of $1,243,942 (2010: $656,083), travel and subsistence costs of $590,057 (2010: $105,192), salaries of $577,276 (2010: $nil), administration costs of $246,287 (2010: $nil), and application fees, sundry expenses and depreciation of $96,583 (2010: $nil). These costs were incurred in developing the Company's exploration program, including geophysical and geochemical analyses and regional work, and particularly in the case of the increased administrative costs, management and professional fees, travel and subsistence costs, and the cost of preparing for the IPO of the Company.

The net loss further includes finance and interest charges of $74,776 (2010: $62,500) and income taxes and deferred tax expenses of $56,249 (2010: $64,343). Interest income was $83,372 (2010: $nil).

All expenses incurred for the year ended December 31, 2011 as set out above relate to twelve months of Samco Gold S.A. and nine months of 5R S.A. 5R S.A. was acquired on March 31, 2011 through the issuance of 19,000,000 common shares of the Company at a value of $0.50 per share plus a cash payment of $1,000,000.

For the three months ended December 31, 2011

For the three months ended December 31, 2011, the Company recorded a net loss before non-controlling interest of of $1,570,971 (2010: $286,232). This was principally as a result of incurring foreign exchange gains of $102,597 (2010: ($522)), administrative expenses of $738,974 (2010: $204,850) and a share-based payment expense of $910,542 (2010: $nil) resulting from the grant of options.

Administrative expenses consisted of management and professional fees of $260,694 (2010: $160,818), salaries of $227,107 (2010: $nil), administration costs of $51,773 (2010: $nil), travel and subsistence costs of $173,966 (2010: $43,992), and application fees, sundry expenses and depreciation of $25,434 (2010: $nil). These costs were incurred in developing the Company's exploration program, including geophysical and geochemical analyses and regional work.

The net loss further includes finance and interest charges of $48,674 (2010: $15,381) and income taxes and deferred tax expenses of $14,424 (2010: $64,343). Interest income was $39,046 (2010: $nil).

Company Developments

During the year ended December 31, 2011, and as of the date of this MD&A, the Company achieved a number of important milestones.

Corporate Developments

On July 6, 2011 the Company closed its IPO of 22,727,272 common shares at a price of CDN $1.10 per share for gross proceeds of CDN $25,000,000. The Company's common shares commenced trading on the TSX Venture Exchange, under the symbol SGA, on July 8, 2011. In connection with this transaction 1,590,909 warrants were issued to the underwriters, each warrant exercisable for one common share of the Company at an exercise price of $1.10 expiring on July 6, 2013.

Concurrent with the closing of the IPO on July 6, 2011, 5,650,000 stock options with an exercise price of CDN $1.10 were granted to officers and directors of the Company. The grant was previously approved by the Board of the Company on May 25, 2011 according to the terms of the employee option plan. The options have a term of five years and expire July 6, 2016.

On August 5, 2011 the over-allotment option previously granted to the underwriters by the Company in connection with the IPO of its common shares was partially exercised and 2,348,803 common shares of the Company were issued at a price of CDN $1.10 per share for gross proceeds to the Company of CDN $2,583,683. In connection with this transaction 164,416 warrants were issued to the underwriters, each warrant exercisable for one common share of the Company at an exercise price of $1.10 expiring on August 5, 2013.

On August 22, 2011 the Board of the Company approved the grant of 600,000 stock options to the Company's internal Qualified Person.

The Company's internationally experienced new Board of Directors was formed, including:

Executive Chairman: On April 1, 2011, the Company appointed Mr. Charles Koppel as Executive Chairman and Director. Mr. Koppel is the co-founder of Samco Resources Limited established to identify, acquire and develop mining properties in South America. He was responsible for the acquisition of the properties that comprise the Company's asset portfolio. A previous Co-Chairman and CEO of a Nasdaq listed media group, Mr. Koppel has 20 years experience as an entrepreneur and founder of various businesses across diverse industries.

Chief Executive Officer: On April 1, 2011, the Company appointed Mr. Paul Richardson as Chief Executive Officer and Director. Mr. Richardson has over 15 years experience in the finance, securities and mining industries as former Managing Director of Global Leisure Partners and Executive Director of CIBC World Markets and he was a Senior Associate at Norton Rose. He has acted as a consultant to the Samco Investment Group since 2009.

President of Samco Gold S.A. and 5R S.A.: On March 31, 2011, the Company appointed Mr. Estanislao Auriemma as Country President and Director. Mr. Auriemma has over 15 years experience in the mining and energy sectors in Argentina and is President of Grupo Minera Aconcagua, a member company of the Argentine Chamber of Mines.

Director: On May 25, 2011, the Company appointed Dr. Ricardo Auriemma as a Director. Dr. Auriemma has over 40 years experience as an exploration geologist in Argentina responsible for the promotion of some of Argentina's most significant deposits including Agua Rica (Yamana Gold), San Jorge (Coro Mining) and Manantial Espejo (Pan American Silver). He was the co-founder, Senior Vice-President and Director of Northern Orion Explorations Ltd.

Director: On May 25, 2011, the Company appointed Mr. Robert Buchan as a Director. Mr. Buchan has over 40 years of experience in the mining industry including creating Kinross Gold, the world's seventh largest primary producer of gold.

Director: On May 25, 2011, the Company appointed Mr. Wayne Hubert as a Director. Mr. Hubert has over 20 years experience in the mining industry and was most recently Chief Executive Officer and Director of Andean Resources which he led for four years until its $3.5 billion acquisition by Goldcorp. Prior to Andean Mr. Hubert had a 14 year career at Meridian Gold Inc.

On December 22, 2011, Sentient Executive GP IV, Limited ("Sentient") acquired 1,818,200 common shares of the Company, representing approximately 2.79% of the outstanding common shares of the Company. As a result of the acquisition, Sentient's interest in the Company increased to 8,028,200 shares representing approximately 12.34% of the issued and outstanding common shares of the Company.

Following the end of the year, and as of the date of this MD&A, the Company has made the following changes to its Board of Directors:

Director: On January 16, 2012, the Company appointed Mr. Michel Marier as a Director. Mr. Marier is a seasoned investment professional, serving as a fund manager at the Sentient Group, and he led Sentient's investment into the Company on IPO. Mr. Marier joined Sentient from Caisse de Dépôt et Placement du Québec's (CDPQ) Private Equity division in 2009 where he had worked since 2001. Mr. Marier is also a director of Geodynamics, a geothermal company developing an EGS project in Australia.

Director: On January 16, 2012, the Company appointed Mr. Kevin Tomlinson as a Director. Mr. Tomlinson is a qualified geologist and has held various corporate and investment banking roles in and around the mining and exploration industry over the past 30 years. In January 2012, Mr. Tomlinson retired as Managing Director in Mining Investment Banking at Stifel Nicolaus Weisel having previously held similar roles at Thomas Weisel Partners and Westwind Partners. While at Stifel and its predecessors, Mr. Tomlinson led multiple financing and acquisition transactions, including the IPO of the Company in 2011. On March 2, 2012, the Board of the Company approved the grant of 500,000 stock options to Mr. Tomlinson.

The Company further announced that Mr. Robert Buchan stepped down as a Director of the Company due to his extensive other work commitments. The 500,000 options previously granted to Mr. Buchan were cancelled in accordance with the provisions of the Company's share option plan.

Operational Developments

The Company closed its IPO on July 6, 2011. Since that date significant progress has been made towards the achievement of the Company's goals:

Analysis of prior work

In July 2011, the Company completed the first stage of a compilation into a GIS (Geographic Information Systems) database of the information available from the prior exploration programs carried out over El Dorado Monserrat by Aur Resources. The work program was carried out for the Company by a senior exploration geologist responsible for the Aur Resources work program on El Dorado-Monserrat between 2004 and 2007. As a consequence of this work, the Company now has increased its information in relation to the project, including the results of a modest magnetometer survey over the Main Veins target on Monserrat, which will be utilized in refining the exploration program for the project.

Surface Rights – El Dorado-Monserrat

In August, the Company negotiated and executed agreements with the owners of the *estancias* covering the surface of the Company's core, El Dorado-Monserrat, concessions to lease the surface rights to the El Dorado-Monserrat project for the duration of the current exploration program, thereby permitting the Company to conduct mineral exploration activities. The Company has further acquired an option to acquire the majority of the surface rights at a pre-determined price.

Environmental Permitting

In September, the Company received from the Santa Cruz Province Mining Authority final approval of the El Dorado-Monserrat Environmental Impact Report, thereby allowing the Company to commence its drilling program on that project.

Appointment of new Qualified Person

In September 2011, the Company appointed Mr. David Shatwell, previously Chief Geologist for Andean Resources, as a Consultant Geologist and as the Company's internal Qualified Person. Mr. Shatwell has developed a strong reputation as a specialist in low sulphidation epithermal gold deposits such as those hosted in the Deseado Massif and was responsible for the development and execution of the Andean Resources *Cerro Negro* exploration program between 2005 and June 2010.

Field Operations, Infrastructure

In July 2011, the Company executed service agreements with a number of exploration services companies for the provision of camp, geophysical and exploration drilling services in support of the Company's exploration program. The Company, furthermore, secured the services of a number of highly qualified exploration geologists to join the Company as core members of its exploration team.

Field operations on the El Dorado-Monserrat project commenced in August 2011, with the establishment of an exploration camp and the commencement of the first lines of a substantial geophysical survey program totalling some 76.75 line km of Gradient Array IP and 67.1 line km of Pole-Dipole IP across the various targets on El Dorado-Monserrat alone.

In July 2011, the Company signed agreements with two Argentinian drilling contractors for the provision of three rigs for an overall drilling campaign of 30,000 metres on El Dorado Monserrat. The first rig arrived on the property in early September 2011, with its initial focus on the Monserrat Main Veins.

Drilling commenced on the El Dorado-Monserrat property in September 2011 and by the end of the year a total of 20 cored holes had been completed on the project. A second rig commenced drilling in late October 2011 and completed five holes. 18 of the completed holes were drilled in the Monserrat Sector, and two holes have been drilled in the Beethoven vein system in the El Dorado Sector. The first samples for assay were dispatched for laboratory analysis on October 7, 2011.

Additional work includes approximately 70 line km of pole-dipole induced polarization surveys in the Monserrat (Main Veins, Monserrat West) and El Dorado (La Herradura and Beethoven) and Judite Sectors, as well as on-going rock chip and float sampling in all areas.

On October 27, 2011, the Company announced an update on its progress in the field and the initial results from holes MVDDH001 and MVDDH004. MVDDH001 obtained an intersection of 1m of 26.9 g/t Au, 54.0 g/t Ag from 85m, in brecciated and oxidized andesite and MVDDH004 obtained the following intersections above a 2 g/t Au cut-off:

From (m)	Width (m)	g/t Au	g/t Ag
36.0	1.50	12.42	194
58.6	0.40	8.10	55
65.6	0.60	12.97	251
100.5	0.60	10.06	92
107.0	0.30	3.86	6
111.0	0.25	19.04	81

These intersections were obtained in brecciated and silicified zones in andesite. Holes 2 and 3 yielded no significant intersections.

On December 14, 2011 the Company announced the following further results from the Monserrat Sector:

Hole	East	North	Angle	Azimuth	Depth (m)	Intersections >2 g/t Au			
						Width (m)	g/t Au	g/t Ag	From (m)
MVDDH005	2529382	4638988	-50	99	234.3	1	3.6	10	124.00
MVDDH006	2529242	4638166	-50	279	136	1.6	14.2	2607	84.40
						(Incl. 0.6	31.3	6006	84.4)
						0.6	2.7	25	104.00
MVDDH007	2529180	4637896	-50	279	122.5	1	14.6	113	67.00
MVDDH008	2529170	4637693	-50	279	216	No intersection > 2 g/t Au			
MVDDH009	2529096	4637744	-50	99	241.7	No intersection > 2 g/t Au			
MVDDH010	2528819	4638170	-50	219	100.15	No intersection > 2 g/t Au			
MVDDH011	2529097	4637651	-50	309	167	0.5	3.6	41	72.10
						0.9	15.6	84	76.60
PC1	2529178	4638757	-50	274	50	No intersection > 2 g/t Au			
PC2	2529238	4638715	-50	309	50	1.7	4.4	201	31.50

The Company also highlighted that the intersections include 1.6m of 14.2 g/t Au, 2,607 g/t Ag from 84.4m, including 0.60m with 31.27 g/t Au and 6,006 g/t Ag, and 0.6m of 2.7 g/t Au, 25 g/t Ag from 104m (MVDDH006) from the Inés zone of the Monserrat Main Veins, 215m north of MVDDH004, announced previously and that MVDDH004, 006 and 007 suggest a zone of Au-Ag mineralization at least 300m long, with local bonanza silver grades in addition to gold.

The Company further highlighted a new discovery of the IP defined "Seraphina" vein, 200m West of the Main Veins which has been confirmed as mineralized from a combination of float (9.8 g/t Au, 1,484 g/t Ag), trench (5.8 g/t Au, 1,186 g/t Ag) and drill (1.7m of 4.4 g/t Au, 201 g/t Ag from 31.5m in hole PC2) samples.

As at the date of this MD&A, a total of 12,016m across 69 diamond drill holes have been drilled. The programmed IP survey of the project is now finished and a total of 84.2 line km of pole-dipole exploration has been completed yielding some strong targets for follow up.

Summary of Quarterly Results

The Company was incorporated on June 16, 2009 and did not prepare quarterly financial statements for periods prior to March 31, 2011.

	For the three months ended December 31, 2011 ($)	For the three months ended September 30, 2011 ($)	For the three months ended June 30, 2011 ($)	For the three months ended March 31, 2011 ($)
Revenues	39,046	44,326	0	0
Expenses				
Administrative expenses	(738,974)	(844,388)	(817,484)	(353,299)
Finance and interest charge	(48,674)	(7,967)	(2,698)	(15,437)
Foreign exchange (loss) gain	102,597	(1,432,046)	7,554	(791)
Share-based payment expense	(910,542)	(779,832)	0	0
Income tax	(14,424)	(19,434)	0	0
Deferred tax expense	0	(16,858)	0	(5,533)
Total loss for the period	(1,570,971)	(3,056,199)	(812,628)	(375,060)

The following table provides a comparison of administrative expenses for each of the three months ended:

	For the three months ended December 31, 2011 ($)	For the three months ended September 30, 2011 ($)	For the three months ended June 30, 2011 ($)	For the three months ended March 31, 2011 ($)
Administration costs	(51,773)	(128,602)	(418,187)	(86,964)
Travel and subsistence	(173,966)	(108,085)	(97,140)	(105,433)
Sundry expenses	(8,721)	(844)	(107)	0
Application fees	(14,329)	(20,652)	(46,654)	0
Management and professional fees	(260,694)	(367,780)	(119,735)	(160,902)
Salary	(227,107)	(214,508)	(135,661)	0
Depreciation	(2,384)	(3,917)	0	0
Total administrative expenses	(738,974)	(844,388)	(817,484)	(353,299)

Liquidity

For the year ended December 31, 2011

At December 31, 2011 the Company had $19,854,460 in cash and cash equivalents, $605,345 in prepaid assets and $19,920,217 in working capital. At December 31, 2010 the Company had $9,096 in cash and cash equivalents and a $1,435,241 working capital deficiency.

For the year ended December 31, 2011, the Company financed its operations through funds raised through the closing of its IPO for gross proceeds of CDN $25,000,000 and funds raised through the exercise, in connection with the IPO, of the over-allotment option for gross proceeds of CDN $2,583,683. This cash was received on July 7, 2011 and August 8, 2011 respectively.

Prior to the IPO the Company financed its operations through a private placement of common shares for gross proceeds of $1,028,300. This cash was received on April 11, 2011. Prior to the private placement the Company financed its operations from a related party, Samco Resources Limited, through an assignment and loan agreement dated June 16, 2009 (the "Loan Agreement"). On March 31, 2011, the Company settled this credit facility of $1,518,446 between the Company and Samco Resources Limited through the issuance of 18,990,000 common shares of the Company.

Funds expended during 2011 were used primarily for the acquisition of 5R S.A., the completion of a technical report on the portfolio of the Company's exploration properties, the development of the Company's exploration program, program of geophysical and geochemical analysis and regional work program, and general and administrative expenses and costs associated with the Company's IPO.

The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the properties and also identify, evaluate and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Company's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally;
- the prevailing market prices for precious metals, in particular the prevailing market prices for gold;
- the consolidation and potential abandonment of the properties as exploration results provide further information relating to the underlying value of the properties;
- changes in laws, regulations and political conditions and currency fluctuation;
- changes in the Argentinian legislative and political landscape; and
- the ability of the Company to realize satisfactory terms in its negotiation of work contracts relating to the properties.

The current trends relating to the above factors could change at any time and negatively affect the Company's operations and business. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are likely to have a material effect on the Company's business, financial condition or results of operations.

Capital Resources

The Company has limited capital resources and historically has had to rely upon the support of its shareholders, related parties, the sale of its equity and/or debt securities for cash required for acquisition, exploration and development purposes of mineral resource properties. Since the Company does not expect to generate any revenues in the near future, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any period or, if available, it can be obtained on terms satisfactory to the Company.

Other than as disclosed in the Company's financial statements, the Company does not have any commitments for capital expenditures as at the date hereof.

Following the IPO, the Company is no longer reliant on external funding to meet its operating liabilities.

Liquidity Risk Management as of December 31, 2011 ($)					
	< 1 month	**1-3 months**	**3 months to 1 year**	**> 1 year**	**Total**
Due to related parties	-	70,197	-	-	70,197
Accounts payable and accrued liabilities	-	469,391	-	-	469,391
	-	539,588	-	-	539,588

Off-Balance Sheet Arrangements

As at the date hereof, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company including, without limitation, such considerations as liquidity and capital resources.

Transactions with Related Parties

For the year ended December 31, 2011

The Company had accumulated a balance of $1,518,446 owing to Samco Resources Limited under the Loan Agreement as of March 31, 2011 (December 31, 2010: $1,348,473). On March 31, 2011 the balance owing was converted to equity, with the shares being issued to Samco Investments Limited (a wholly owned subsidiary of Samco Resources Limited) for consideration totalling $9,770,621 for a total of 18,990,000 common shares, comprised of the settlement of the credit facility of $1,518,446 and a distribution to shareholders of $8,252,175.

As a result of the IPO, a debt of $2,700,000 due to the former minority shareholders of Samco Gold S.A. was assigned to Samco Investments Limited. During the current year, Samco Investments Limited waived the loan to the Company.

The due to related parties balance accumulated to March 31, 2011 of $1,518,446 related to corporate administration and exploration activities deemed to have been repaid to Samco Resources Limited (as a result of the loan conversion). The balance owing under the Loan Agreement was subject to a 5% financing charge, which amounted to $15,437 for three months ended March 31, 2011. The credit facility was due to expire on June 30, 2011, but was annulled by an agreement dated March 31, 2011 whereby Samco Resources Limited settled the entire outstanding debt with equity and terminated the credit facility arrangement with the Company.

Costs recovered by Samco Resources Limited as part of the credit facility agreement include the following:

- During the year ended December 31, 2011, consulting fees, office expenses and travel reimbursements paid by Samco Resources Limited on behalf of the Company to JayTree Limited (a UK based consulting company owned and operated by the Chairman of the Company) amounted to $173,708 ($346,992 – for the year ended December 31, 2010). For the three months ended December 31, 2011 the costs incurred under the agreement were $nil ($77,775 - for three months ended December 31, 2010).

- During the year ended December 31, 2011, Samco Resources Limited charged the Company $54,795 for expense reimbursements that were paid to Charles Koppel, Chairman of the Company ($76,463 - for the year ended December 31, 2010). For the three months ended December 31, 2011 the costs incurred under the agreement were $nil ($32,180 for three months ended December 31, 2010).

Amounts due to other related parties of $70,197 (2010: $nil) comprise $4,685 (2010: $nil) in expense reimbursements due to key management personnel and directors incurred during the normal course of operations of the Company, an amount of $28,016 (2010:$nil) due to and from previous members of the management team of 5R S.A. (2010: $nil) as a result of the acquisition of 5R S.A., and $37,496 (2010: $nil) in quarterly fees due to the Non-Executive Directors of the Company.

Pursuant to the acquisition of 100% of the outstanding shares of 5R S.A. on March 31, 2011, $1,000,000 was paid to the former owners of 5R S.A. (2010: $nil).

Salary expense, including share-based payment expense, for the year ended December 31, 2011 was $2,267,650 (2010: $nil). For three months ended December 31, 2011 salary expense, including share-based payment expense, was $1,137,649 (2010: $nil). The Company did not have any employees during the year ended December 31, 2010 and as such did not have salary or compensation expense during the year ended December 31, 2010.

Paul Fornazzari, the Company's corporate secretary, is a partner at Gowling, Lafleur, Henderson LLP ("Gowlings"). The value of services billed by Gowlings, which provides legal services to the Company, in the year ended December 31, 2011 was CDN $375,950 (2010: $nil) (three months to December 31, 2011: CDN $7,617).

Proposed Transactions

The Company does not have any proposed asset or business acquisition or disposition as at the date hereof.

Critical Accounting Estimates

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process. Such judgments include:

- The Company estimated the fair value of shares issued for goods or services based on a private placement transaction with an unrelated third party. In instances where the fair value of the service could not be determined, the fair value of the common shares issued was used in the measurement of the transaction.

- Management applied judgment in determining the functional currency of Samco Gold Limited, Samco Gold Services (UK) Ltd., Samco Gold S.A. and 5R S.A. as United States dollars, based on the facts and circumstances that existed during the period from June 16, 2009 (date of incorporation) to December 31, 2009, the year ended December 31, 2010 and for the year ended December 31, 2011.

- The Company applied judgment in the determination of the types of costs that are capitalized as mineral rights and exploration costs.

- The Company reviews assets for indication of impairment.

The Company has been involved in equity settled transactions, to acquire assets and as repayment of outstanding liabilities. Management exercised judgment in determining that the conversion of the related party credit facility is measured at a fair value of the goods and services provided. Management also exercised judgment in determining that the fair value of goods or services received in relation to the acquisition of 5R S.A. could not be reliably measured, and therefore used the fair value of the common shares issued to value the transaction. Management did receive an estimation of the fair value of the Samco Gold S.A. assets prior to the conversion of the credit facility and the 5R S.A. acquisition which served as a guide to management's negotiations, however, the fair value estimation was not in any way compliant with the Valmin code of the Australasian Institute of Mining and Metallurgy and so could not be viewed as a formal valuation. Details regarding the determination of the fair value of equity-settled transactions are set out in note 11 to the consolidated financial statements of the Company for the year ended December 31, 2011.

Mineral rights and exploration costs

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with IFRS and applicable guidelines for exploration stage companies. The policy is consistent with other exploration companies which have not established mineral reserves objectively.

An alternative policy could be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established, or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Financial Instruments and Other Instruments

The Company's financial instruments and liabilities consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short term nature of their maturity.

The Company undertakes transactions denominated in foreign currencies, and as such, exposure to exchange rate fluctuations arise. The Company does not undertake significant hedging activities to reduce its exposure to this risk. 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 December 31, 2011, in United States dollars, is:

($)	**December 31, 2011**		**December 31, 2010**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Argentine pesos	1,073,756	381,761	9,096	69,800
United Kingdom sterling	515,960	16,096	0	0
Canadian dollars	8,476,100	0	0	75,407

The carrying amount of the Company's financial instruments for financial assets as at December 31, 2011 was cash and cash equivalents $19,854,460 (December 31, 2010: $9,096) and prepaid assets $605,345 (2010: $nil). For financial liabilities as at December 31, 2011 it was accounts payable and accrued liabilities $469,391 (December 31, 2010: $95,864) and due to related parties $70,197 (December 31, 2010: $1,348,473).

Disclosure of Outstanding Security Data

As at December 31, 2011 and the date of this MD&A, the Company has 65,076,075 issued and outstanding common shares. There are also 6,250,000 stock options granted and 1,755,325 underwriters' warrants granted that will be exercisable on the vesting date. On a diluted basis 73,081,400 common shares would have been outstanding as at December 31, 2011 and the date of this MD&A if they had all been exercised.

Shares	Number
Common shares outstanding December 31, 2010	10,000
March 31, 2011 Conversion of credit facility	18,990,000
March 31, 2011 Private placement	2,000,00
March 31, 2011 Acquisition of 5R S.A.	19,000,000
July 6, 2011 IPO	22,727,272
August 5, 2011 Over-allotment option	2,348,803
Balance as at December 31, 2011	65,076,075

Warrants	Number
Warrants outstanding December 31, 2010	0
Issued on July 6, 2011	1,590,909
Issued on August 5, 2011	164,416
Balance as at December 31, 2011	1,755,325

Options	Number
Options outstanding December 31, 2010	0
Granted on July 6, 2011	5,650,000
Granted on August 22, 2011	600,000
Balance as at December 31, 2011	6,250,000

Disclosure Controls and Procedures

The Company is required to review and report on the effectiveness of its disclosure controls and procedures ("DC&P") in accordance with National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109"), issued by the Canadian Securities Administrators. NI 52-109 requires a Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to certify that they are responsible for establishing and maintaining DC&P for the issuer, that DC&P have been designed and are effective in providing reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's DC&P and that their conclusions about the effectiveness of those DC&P at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

Management, including the CEO and CFO, has evaluated the design of the Company's DC&P as at December 31, 2011, and has concluded that the DC&P are effective in ensuring that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the required time period for the period then ended.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues within a company have been detected. In addition, the design of any system of control is based upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all future events, no matter how remote, or that the degree of compliance with the policies or procedures may not deteriorate. Accordingly, the Company's DC&P are effective in providing reasonable, not absolute, assurance that the objectives of its disclosure control system have been met.

Internal Controls over Financial Reporting

NI 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting ("ICFR") for the issuer, that the ICFR have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any change in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its ICFR.

The design and operating effectiveness of the Company's ICFR were evaluated by management in accordance with "Internal Controls over Financial Reporting – Guidance for Smaller Public Companies", as published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and NI 52-109, as at December 31, 2011.

In its review, the Company's management has not identified any weaknesses that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. Based on this evaluation, management has concluded that the Company's ICFR are effective in providing reasonable assurance that its financial reporting is reliable and its consolidated financial statements are prepared in accordance with IFRS.

There were no changes in the Company's ICFR that, in the view of the Company's management, occurred during the year ended December 31, 2011, or up to the date of this report that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Subsequent Events

Other then as disclosed herein, none to report.

Company Outlook

For the balance of 2012 the Company will continue to execute its previously announced exploration program over the El Dorado Monserrat project. A total of 30,000 metres of exploration diamond drilling has been allocated to targets on El Dorado Monserrat and the drill rigs currently in operation are averaging 2,682 metres of drill advance per month (January to March, 2012). The drill program will continue to be refined to reflect the geophysical survey and other drill and geochemical results and as additional potential targets are delineated.

The Company will shortly commence fieldwork on its 5,000 hectare Corina project and expects to commence scout drilling (up to 5,000 metres) on the Corina project in the last quarter of 2012.

Other Information

Additional information about the Company is available on SEDAR at www.sedar.com.