Management’s Discussion and Analysis for the year ended December 31, 2012

Samco Gold Limited

Prepared as at March 21, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following Management's Discussion and Analysis ("MD&A") is prepared as at March 21, 2013 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 three and twelve months ended December 31, 2012 and 2011.

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 by management in accordance with International Financial Reporting Standards ("IFRS"). 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 Annual Information Form dated November 1, 2012 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 evaluates mineral properties, primarily gold and silver, in South America. The Company owns approximately 55,000 hectares of mineral exploration 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 and adjacent Judite properties which together cover approximately 8,000 hectares and on which the Company has identified six key target areas for further exploration. This project (hereinafter referred to as "El Dorado Monserrat") 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. The Company has recently started exploration work at the Corina Project, which comprises three concessions totaling some 5,000 hectares situated on the northern boundary of the Cerro Moro project owned by Yamana Gold.

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 potential resources at El Dorado Monserrat and Corina and to further evaluate each of its other properties.

Overview

Significant milestones achieved during the twelve months ended December 31, 2012 and as at the date of this report include the following:

- On January 16, 2012 the Company announced changes to its board of directors which included the appointment of Mr. Michel Marier and Mr. Kevin Tomlinson as directors.

- The Company announced the results of its preliminary program on the Main Veins target and, separately, the preliminary results from drilling on the Herradura target, also at El Dorado Monserrat.

- The Company continued with its exploration program at El Dorado Monserrat and commenced a regional exploration program to evaluate new targets identified in earlier exploration.

- The Company received the final assay results from its drill program at El Dorado Monserrat and announced the extension of the previously identified quartz vein at the Herradura target to over 800 metres.

- The Company commenced its exploration of the Corina Project, including geological mapping, chip and channel sampling and a ground magnetic survey. This led to the announcement by the Company of the discovery of a new high-grade silver target at the Corina Project.

- On 10 January 2013, the Company commenced drill testing of the Cerro Cubilete target at its Corina Project.

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, 2012, and December 31, 2011:

	As at December 31, 2012 ($)	**As at December 31, 2011 ($)**
Assets		
Current Assets	12,120,475	20,459,806
Total Assets	33,179,646	35,830,627
Liabilities		
Current Liabilities	471,410	539,588
Total Liabilities	557,246	625,424
Working Capital	11,649,065	19,920,218
Shareholders' Equity		
Issued Capital	45,423,567	45,423,567
Warrants and Share Based Payment Reserve	5,635,450	2,591,176
Deficit	(18,436,617)	(12,809,540)
Shareholders' Equity	32,622,400	35,205,203

	For the year ended December 31, 2012 ($)	**For the year ended December 31, 2011 ($)**
Total Net (Loss)	(5,627,077)	(5,814,778)
Per common share, basic and fully diluted	(0.09)	(0.14)
Weighted average number of shares outstanding	65,076,075	42,291,277

	For the three months ended December 31, 2012 ($)	**For the three months ended December 31, 2011 ($)**
Total Net (Loss)	(1,411,847)	(1,570,971)
Per common share, basic and fully diluted	(0.02)	(0.02)
Weighted average number of shares outstanding	65,076,075	65,076,075

Financial Overview

For the year ended December 31, 2012

For the twelve months ended December 31, 2012, the Company incurred $5,567,827 (2011: $1,830,916) in exploration costs.

For the year ended December 31, 2012, the Company recorded a net loss of $5,627,077 (2011: $5,814,858). This was principally as a result of incurring administrative expenses of $2,537,112 (2011: $2,754,145), a foreign exchange (gain)/loss of ($58,749) (2011: $1,322,686) and a non-cash share based payment expense of $3,044,274 (2011: $1,690,374) resulting from the grant of options.

Administrative expenses consisted of management and professional fees of $866,537 (2011: $1,243,942), travel and subsistence costs of $418,490 (2011: $590,057), salaries of $823,121 (2011: $577,276), administration costs of $353,863 (2011: $256,407), and application fees and depreciation of $75,101 (2011: $86,463). A portion of these costs were incurred and expensed 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 $16,069 (2011: $74,776) and income taxes and deferred tax expenses of $98,964 (2011: $56,249). Interest income was $10,593 (2011: $83,372).

For the three months ended December 31, 2012

For the three months ended December 31, 2012, the Company incurred $547,552 (2011: $1,240,843) in exploration costs.

For the three months ended December 31, 2012, the Company recorded a net loss of $1,411,847 (2011: $1,570,971). This was principally as a result of incurring administrative expenses of $534,915 (2011: $738,974), a foreign exchange (gain)/loss of $54,074 (2011: $102,597) and a non-cash share based payment expense of $822,667 (2011: $910,542) resulting from the grant of options.

Administrative expenses consisted of management and professional fees of $161,685 (2011: $260,694), travel and subsistence costs of $54,804 (2011: $173,966), salaries of $217,119 (2011: $227,107), administration costs of $81,756 (2011: $60,942), and application fees and depreciation of $19,550 (2011: $16,265). A portion of these costs were incurred and expensed 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 $4,022 (2011: $48,674) and a decrease in income taxes and deferred tax expenses of ($1,381) (2011: $14,424). Interest income was $2,450 (2011: $39,046).

Company Developments

During the year ended December 31, 2012, and as of the date of this MD&A, the Company continued its advance towards a number of important Company milestones.

Corporate Developments

During the year ended December 31, 2012 the Company made the following changes to the composition of its board of directors ("Board"):

On January 16, 2012, the Company announced that Mr. Michel Marier and Mr. Kevin Tomlinson were appointed to the Board as independent directors.

Mr. Michel 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 its 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.

Mr. Kevin 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. Options in respect of 500,000 shares were granted to Mr. Tomlinson on March 27, 2012.

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

The Company held its first Annual General Meeting on June 14, 2012 at which meeting all of the serving directors were re-elected as directors of the Company for the ensuing year; Deloitte LLP were appointed as auditors of the Company; and the Company's stock option plan was adopted and approved for the ensuing year.

Options in respect of 100,000 shares were granted to Mr. Marcelo Ortiz, Exploration Manager, on October 4, 2012.

Options in respect of 100,000 shares were granted to Ms. Stacey de Vos, Financial Controller of the Company, on October 4, 2012.

On October 4, 2012, 300,000 of the options granted on August 22, 2011 were modified and 200,000 of the options granted on August 22, 2011 were cancelled.

The Company filed its Annual Information Form in respect of the fiscal year ended December 31, 2011 on November 1, 2012.

Operational Developments

During the twelve months ended December 31, 2012 the Company's field operations at El Dorado Monserrat continued to evolve and exploration had extended to the Corina Project. Further progress towards the Company's goals was achieved.

<u>El Dorado Monserrat</u>

A total of 96 diamond drill holes were completed on the project, for the total of 18,388 meters. Shortly after June 2012, all drilling on the El Dorado Monserrat Project ceased for a winter shut down and no drilling has taken place since and as at the date of this MD&A.

Drill totals, El Dorado-Monserrat project:

Prospect	**Holes**	**Meters**
Monserrat Main Veins	64	10,650
Herradura	27	6,572
Beethoven	5	1,166
Total	**96**	**18,388**

On February 28, 2012, the Company announced an update on its progress El Dorado Monserrat with the following highlights:

- 41 diamond drill holes complete for approximately 7,000 metres, mostly on the Main Veins target of the Monserrat sector.

- Anomalous values recorded from two parallel structures ("Inés" and "Virginia") on the Main Veins target with a mineralized strike of at least 400 metres.

    - Intersections include (MVDDH018) 1.15m of 23.8 g/t Au, 714 g/t Ag from 52m and 1.9m of 0.7 g/t Au, 129 g/t Ag from 58.1m.

- A wide zone of anomalous Au and Ag values has been intersected below MVDDH004 (announced October 27, 2011) in hole MVDDH017 between 230 and 254m, including 0.4m of 2.1 g/t Au, 205 g/t Ag from 242.6m and 0.5m of 0.2 g/t Au, 131 g/t Ag from 251.5m.

- Surface rock chip sampling of the northern extension of the Camila section of the Main Veins target has defined mineralization for a distance of approximately 750 metres north of MVDDH005. Samples include 22.6 g/t Au, 1,042 g/t Ag.

- Strike extension of Seraphina (or an equivalent) structure in the Bajo Pedernales target in the Monserrat sector has been confirmed for over 800 metres to the south of the original (PC002) hole.

    - Intersections to date include (MVDDH023) 1.6m of 7.4 g/t Au, 83 g/t Ag from 162.4m.

- Drilling into an IP defined target on the Monserrat West target intersected 0.5m of 3.8 g/t Au, 1,377 g/t Ag from 179.5m (MVDDH012).

On July 3, 2012 the Company announced the completion of its first phase drill program on the Monserrat Sector of its principal El Dorado Monserrat project with the following highlights:

The Inés Vein on the Main Veins target at El Dorado Monserrat was confirmed as a high priority target:

– Drilling, together with structural analysis carried out by consultant structural geologist, Dr. David Coller, has identified a series of local dilational vein segments along the principal structures of the Main Veins, notably Inés.

– In total 64 diamond drill holes had been completed and assayed for a total of 10,640m across several targets in the Monserrat Sector, principally on the Main Veins.
    - 23 of the holes completed since the last announcement are in the Inés structure, including:
    - 4.0m at 9.5g/t Au and 65g/t Ag from 106m (MVDDH062) and 3.5m at 8.2 g/t Au and 82g/t Ag from 73m (MVDDH041).

– Three mineralised shoots had been identified on the Inés vein with the following characteristics (above a 5 g.m. Au equivalent cut off).

Shoot	**Max Strike (m)**	**Avg. True width (m)**	**Avg. Au (g/t)***	**Avg. Ag (g/t)***	**Avg. Au equiv. (g/t)***	**No. of intersections/ Max depth**
North	200	1.5	11.8	456	19.4	4/100m
Central	130	1.0	12.3	286	17.1	6/140m (open)
South	250	2.1	6.5	135	8.8	8/115m (open)

(* - calculated as the average grade divided by the number of intersections in each shoot)

– The South and Central shoots are open at depth and may consolidate into one structure.

– Parallel structures have been intersected in the hanging wall of the Inés vein including (MVDDH039):
    - 2m of 5.4 g/t Au, 42 g/t Ag from 146m; and
    - 2m of 6.1 g/t Au, 84 g/t Ag from 160m.

– In addition to these higher grade targets, wide zones of lower grade mineralization have been identified in the hanging wall of Inés.
    - Over 12 holes (excluding two outliers) the average grade (including internal waste) is 2.7 g/t Au, 110 g/t Ag (4.5 g/t Au equivalent) over 7.5m downhole.

On July 10, 2012, the Company announced that it had intersected 5.5m with 11.2 g/t Au and 57 g/t Ag at the Herradura target of its El Dorado Monserrat project and further announced the early stage results of its drill program on the Herradura target with the following highlights:

Two zones of mineralization had so far been encountered:

(1) Quartz-pyrite breccia

– Exploration drilling intersected a zone of intense quartz veining overprinted and brecciated by pyritic mineralization, between approximately 60 and 140m down-hole (HDDH001).

- The mineralized body was intersected in HDDH007, HDDH009, HDDH010, HDDH011, and HDDH012. The best intersection received to date comprises 31m averaging 1.5 g/t Au, 57 g/t Ag from 163 metres (in HDDH011).

(2) East-west quartz vein

- Four holes (HDDH013, HDDH014, HDDH015 and HDDH026) were drilled to the west of the breccia zone.

- HDDH013 intersected 5.5m of 11.2 g/t Au, 73 g/t Ag from 68 m.

- HDDH015 intersected 4m averaging 2.03 g/t Au, 42 g/t Ag from 148m.

  The true width for both intersections is estimated at between 1.5m and 2.5m.

- HDDH014 intersected 1m of 4.14 g/t Au, 17 g/t Ag at 111-112m, at approximately 90m below the surface.

The vein intersections in these three holes have been interpreted as a single structure, at least 500m long.

Following the winter shut down during the month of August, a ground magnetic survey of certain targets on El Dorado Monserrat was conducted for the Company by Quantec. Targets have been identified for subsequent follow up.

On September 5, 2012, the Company announced the final results of its drill program on the Herradura target at its El Dorado Monserrat project:

Highlights include

- HDDH022, which intersected multiple narrow zones of mineralization between 146m and 200m down hole, including 3m of 4.6 g/t Au, 19 g/t Ag north of the pyritic breccia announced previously;

- HDDH023, which intersected two structures including 0.7m of 9.3 g/t Au, 70 g/t Ag and extends the interpreted strike of the east-west quartz vein reported previously by a further 300m towards the east for a total strike length of some 800m between the intersections in HDDH014 (reported previously) and HDDH023; and

- HDDH026 and HDDH027, which were drilled on the same section mid-way between (previously announced) HDDH015 and HDDH013. Both holes intersected two structures; the best intersection being 6m of 2.1 g/t Au, 130 g/t Ag (HDDH027).

During the three months ended December 31, 2012 and up to the date of this MD&A, the Company has carried out (and continues to carry out) a detailed surface reconnaissance and mapping program of the El Dorado Monserrat project, which program has identified a number of new target areas for follow up exploration.

Corina

Work commenced on the Corina Project in August 2012 and comprised a program of detailed geological mapping, float and chip sampling and trenching. A ground magnetic survey was carried out for the Company over certain target areas by Quantec following up on targets identified in a previous satellite imagery analysis.

On September 4, 2012, the Company announced the discovery of new high grade silver targets at its Corina Project as follows:

In September 2012, the Company contracted a consulting geologist, Mr. N. J. Callan to conduct detailed geological mapping of the area surveyed by Quantec in its ground magnetic survey.

Cerro Cubilete

An area of outcrop of dark quartz and quartz-iron oxide breccia has been identified over a north-south elongated area measuring approximately 250m long by up to 90m wide. Within this area, 44 outcrop samples averaged 268 g/t Ag, with a maximum value of 1,295 g/t Ag.

Immediately north of the area of outcropping veins, four float samples assayed 806, 162, 591 and 275 g/t Ag. Four other float samples south of the outcrop area assayed 227, 1,572, 929 and 1,440 g/t Ag.

Two other float samples inside the area of outcrop (and not included in the average grade of 268 g/t Ag cited above) assayed 302 and 4,668 g/t Ag.

On January 8, 2013, the Company announced that it had made significant progress at the Cerro Cubilete prospect and that it was to commence preliminary drill testing of the target. Highlights of that announcement included that:

- A ground magnetic survey was carried out in September 2012, over an area of approximately 16 km2. The survey shows a broad, NW striking magnetic low feature coincident with argillic alteration within the WNW to NW striking Cerro Mina-Cerro Cubilete structural corridor.

- Detailed geological mapping of substantially the same area was carried out in November and December, 2012 by consulting geologist N.J. Callan. This mapping, covering approximately 10.5 km2, has defined the volcanic sequence and predominant geological structures in the area mapped.

- Together with earlier results, further chip sampling of the Cerro Cubilete prospect has yielded a total of 116 rock chip samples of float and outcrop, of which half the samples are above a cut-off grade of 55 g/t Ag and average approximately 460 g/t Ag.

- There is scope for down-dip continuity of mineralization at Cerro Cubilete both as manto-like bodies on the easterly-dipping contact between brecciated ignimbrite and well-stratified tuff, and as steeply-dipping bodies on an inferred fault between these two units.

- A diamond drill test program of approximately 2,200m has been drilled at Cerro Cubilete on three WNW-oriented sections across the outcropping mineralization (three holes on each of three sections spaced 50-60m apart across the zone). Analysis of the results of this initial program will determine on-going exploration.

Cerro de la Mina

Cerro de la Mina lies approximately 600m NW of Cerro Cubilete and hosts many small prospecting pits which expose minor barite and manganese (Mn) oxide mineralization in rhyolite.

Seven samples from this area assayed above 50 ppm molybdenum (Mo), with a maximum of 219 ppm, in a NNW linear trend 300m long. In the Company´s experience, molybdenum can be a useful pathfinder to precious metal mineralization in this environment.

Summary of Quarterly Results

	For the three months ended December 31, 2012 ($)	For the three months ended September 30, 2012 ($)	For the three months ended June 30, 2012 ($)	For the three months ended March 31, 2012 ($)
Revenues	2,450	3,048	-*	41,439
Expenses				
Administrative expenses	(534,915)	(614,850)	(689,020)	(698,327)
Finance and interest charge	(4,022)	(3,335)	(15,675)*	(59,448)
Foreign exchange gain/(loss)	(54,074)	(19,496)	(23,499)*	185,885
Share based payment expense	(822,667)	(845,978)	(825,282)	(550,347)
Income tax	1,381	(15,873)	(21,539)	(62,933)
Deferred tax expense	-	-	-	-
Total loss for the period	(1,411,847)	(1,496,484)	(1,575,015)	(1,143,731)

**Adjusted for intercompany elimination*

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

	For the three months ended December 31, 2012 ($)	For the three months ended September 30, 2012 ($)	For the three months ended June 30, 2012 ($)	For the three months ended March 31, 2012 ($)
Administration costs	(81,756)	(90,420)	(77,415)	(104,272)
Travel and subsistence	(54,804)	(76,374)	(96,441)	(190,870)
Application fees	(13,841)	(9,681)	(21,692)	(8,212)
Management and professional fees	(161,685)	(220,296)	(283,170)	(201,386)
Salary	(217,119)	(212,460)	(204,794)	(188,748)
Depreciation	(5,709)	(5,619)	(5,508)	(4,839)
Total administrative expenses	(534,915)	(614,850)	(689,020)	(698,327)

Liquidity

As at December 31, 2012 the Company had $10,768,844 in cash and cash equivalents, $1,351,631 in prepaid assets and $11,649,065 in working capital. At December 31, 2011 the Company had $19,854,460 in cash and cash equivalents, $605,346 in prepaid assets and $19,920,218 in working capital.

For the year ended December 31, 2012, 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.

Funds expended during 2012 were used primarily for the development of the Company's exploration program, including drilling, geophysical and geochemical analyses and regional work programs, as well as general operating expenses.

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 administrative, legislative and political landscape;

- changes in the Santa Cruz provincial administrative, legislative and political environment; 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 any further material effect on the Company's business, financial condition or results of operations.

Capital Resources

As disclosed above, the Company had $10,768,844 in cash and cash equivalents, $1,351,631 in prepaid assets and $11,649,065 in working capital as at December 31, 2012.

Liquidity Risk Management as at December 31, 2012 ($)					
	< 1 month	**1-3 months**	**3 months to 1 year**	**> 1 year**	**Total**
Due to related parties	-	37,500	-	-	37,500
Accounts payable and accrued liabilities	-	433,910	-	-	433,910
	-	471,410	-	-	471,410

Taking into account the budgeted spend for the next twelve months, the Company believes it has sufficient funds to finance its current operating and exploration expenditures over at least the next twelve months. In the event that the Company makes a significant discovery which merits follow up drilling beyond that in the current budget, the Company would need to raise additional finance to do so. The Company is currently considering a number of financing options which could facilitate this to continue the development of its asset portfolio in accordance with good geological practice.

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 condition of the Company including, without limitation, such considerations as liquidity and capital resources.

Transactions with Related Parties

For the twelve months ended December 31, 2012

Salary expense, including share based payment expense, for the year ended December 31, 2012 was $3,867,395 (2011: $2,267,650).

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, 2012 was CAD$80,772 (2011: CAD$375,951).

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, 2012.

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

- The Company regularly 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 10 to the consolidated financial statements of the Company for the twelve months ended December 31, 2012.

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 in United States dollars, is:

($)	As at December 31, 2012		As at December 31, 2011	
	Assets	Liabilities	Assets	Liabilities
Argentine pesos	1,088,774	398,043	1,073,756	381,761
United Kingdom sterling	217,821	121,703	515,960	16,096
Canadian dollars	336,376	-	8,476,100	-

The carrying amount of the Company's financial instruments for financial assets as at December 31, 2012 was cash \$10,768,844 (December 31, 2011: \$19,854,460) and prepaid assets \$1,351,631 (December 31, 2011: \$605,346). For financial liabilities as at December 31, 2012 it was accounts payable and accrued liabilities \$433,910 (December 31, 2011: \$469,391) and due to related parties \$37,500 (December 31, 2011: \$70,197).

The Company's cash is predominantly held in United States dollars other than as needed in the ordinary course of business.

Disclosure of Outstanding Security Data

As at 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 outstanding and 1,755,325 underwriters' warrants outstanding that will be exercisable on the vesting date. On a diluted basis 73,081,400 common shares would have been outstanding as at 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	2,000,000
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
Issued	-
Balance as at December 31, 2012 and March 21, 2013	65,076,075

Warrants	Number
Warrants outstanding December 31, 2010	-
Issued on July 6, 2011	1,590,909
Issued on August 5, 2011	164,416
Balance as at December 31, 2011	1,755,325
Issued	-
Balance as at December 31, 2012 and March 21, 2013	1,755,325

Options	Number
Options outstanding December 31, 2010	-
Granted on July 6, 2011	5,650,000
Granted on August 22, 2011	600,000
Options outstanding December 31, 2011	6,250,000
Forfeited January 12, 2012	(500,000)
Granted on March 27, 2012	500,000
Granted on October 4, 2012	200,000
Cancelled on October 4, 2012	(200,000)
Balance as at December 31, 2012 and March 21, 2013	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, 2012, 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, 2012.

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 twelve months ended December 31, 2012 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 than as disclosed herein, none to report.

Company Outlook

The Company is focussing its strategic efforts during the course of this year on the following:

- The continuing evaluation of a mineable resource on the Main Veins target in the Monserrat Zone of its core El Dorado Monserrat project;
- Further identification of potential mineral resources on its Corina project;
- The on-going reconnaissance and initial geological evaluation of the balance of the exploration portfolio held by the Company in the Santa Cruz Province of Argentina; and
- In addition to its existing exploration strategy the Company intends to evaluate the potential to supplement its existing portfolio through the acquisition of new mineral properties in Argentina.

The current exploration program across the entire portfolio for 2013 may include further specific target and/or infill drilling at either of the El Dorado Monserrat or Corina projects. Geophysical and geochemical surveys, mechanical trenching and detailed geological mapping will continue on certain properties within the Company's portfolio, most notably at El Dorado Monserrat, Corina, Ginette, Giancarla, Maribel I, Maribel III and Maribel IV.

The Company continues to monitor its activities and associated expenditure on a regular basis and has the ability to substantially reduce its cost base should it be necessary to do so.

Other Information

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