Condensed interim consolidated financial statements - 1st quarter

March 31, 2017 and 2016

The condensed interim consolidated financial statements of Robex Resources Inc. for the first quarter ended March 31, 2017 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – 1ST QUARTER

Notes to condensed interim consolidated financial statements:

INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

First quarters ended March 31,

	2017	2016
	$	$
REVENUE - GOLD SALES	**12,405,458**	---
COSTS OF OPERATIONS		
Mining operation expenses - note 5	**5,018,249**	(22,714)
General and administrative - note 6	**1,376,462**	743,515
Depreciation of property, plant and equipment and amortization of intangible assets	**1,599,906**	151,621
OPERATING INCOME (LOSS)	**4,410,841**	(872,422)
OTHER EXPENSES (INCOME)		
Financial expenses - note 7	**1,699,370**	95,323
Foreign exchange loss (gains)	**8,192**	(37,743)
Change in fair value of financial liabilities - note 20	**(1,088,358)**	7,446,043
Other expenses (income)	**(4,780)**	---
Income before income taxes	**3,796,417**	(8,376,045)
Income tax expense	**(4,581)**	---
NET INCOME (LOSS) FOR THE PERIOD	**3,791,836**	(8,376,045)
ATTRIBUABLE TO :		
Equity shareholders	**3,823,528**	(8,335,849)
Non-controlling interest	**(31,692)**	(40,196)
	3,791,836	(8,376,045)
EARNINGS (LOSS) PER SHARE - note 18		
Basic	**0.007**	(0.014)
Diluted	**0.007**	(0.014)

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

First quarters ended March 31,

	2017	2016
	$	$
NET INCOME (LOSS)	**3,791,836**	(8,376,045)
Other comprehensive income (loss) - Items that may be reclassified subsequently to profit or loss		
Exchange difference	**253,738**	(925,123)
COMPREHENSIVE INCOME (LOSS)	**4,045,574**	(9,301,168)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:		
Common shareholders	**4,081,818**	(9,271,677)
Non-controlling interests	**(36,244)**	(29,491)
	4,045,574	(9,301,168)

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

INTERIM CONSOLIDATED BALANCE SHEETS (unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

	March 31, 2017 $	December 31, 2016 $
ASSETS		
CURRENT		
Cash and cash equivalents	**2,633,447**	2,347,224
Inventories - note 8	**4,809,157**	4,905,545
Accounts receivable - note 9	**689,481**	75,510
Prepaid expenses	**183,060**	52,815
	8,315,145	7,381,094
DEPOSITS PAID	**2,024,537**	1,454,422
MINING PROPERTIES - note 10	**5,475,207**	5,344,479
PROPERTY, PLANT AND EQUIPMENT - note 11	**74,708,398**	73,789,344
INTANGIBLE ASSETS	**106,467**	113,672
	90,629,754	88,083,011
LIABILITIES		
CURRENT		
Accounts payable	**17,573,049**	17,048,668
Current portion of long-term debt - note 12	**8,317,006**	9,070,414
Warrants - note 20	**123**	28,847
Lines of credit - note 12	**5,422,997**	5,380,183
	31,313,175	31,528,112
CONVERTIBLE DEBENTURES		
Conversion rights at fair value	**1,737,037**	2,791,669
Debt components at amortized cost	**15,378,188**	14,847,392
LONG-TERM DEBT - note 12	**9,630,279**	10,397,721
ENVIRONMENTAL LIABILITIES - note 14	**339,955**	332,569
	58,398,634	59,897,464
EQUITY		
Share capital - note 15	**66,734,172**	66,734,172
Reserve - stock options - note 15	**2,492,961**	2,492,961
Deficit	**(37,332,308)**	(41,155,836)
Accumulated other comprehensive income - note 16	**1,119,044**	860,754
	33,013,869	28,932,051
Non-controlling interests	**(782,748)**	(746,504)
	32,231,121	28,185,547
	90,629,754	88,083,011

Going concern (note 1)

Subsequent events (note 22)

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
Quarter ended March 31, 2017

(all amounts are in Canadian dollars unless otherwise indicated)

	Share capital	Reserve - Stock options	Deficit	Accumulated other comprehensive income (note 16)	Total	Non-controlling interests	Total equity
Balance as at December 31, 2016	66,734,172	2,492,961	(41,155,836)	860,754	28,932,051	(746,504)	28,185,547
Net income (loss) for the period	---	---	3,823,528	---	3,823,528	(31,692)	3,791,836
Other comprehensive income (loss)	---	---	---	258,290	258,290	(4,552)	253,738
Comprehensive loss for the period	---	---	3,823,528	258,290	4,081,818	(36,244)	4,045,574
Balance as at March 31, 2017	**66,734,172**	**2,492,961**	**(37,332,308)**	**1,119,044**	**33,013,869**	**(782,748)**	**32,231,121**

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
Quarter ended March 31, 2016

(all amounts are in Canadian dollars unless otherwise indicated)

	Share capital	Reserve - Stock options	Deficit	Accumulated other comprehensive income (note 16)	Total	Non-controlling interests	Total equity
Balance as at December 31, 2015	66,734,172	2,411,647	(31,978,581)	4,260,491	41,427,729	(555,851)	40,871,878
Net loss for the period	---	---	(8,335, 849)	---	(8,335, 849)	(40,196)	(8,376, 045)
Other comprehensive income (loss)	---	---	---	(935,828)	(935,828)	10,705	(925,123)
Comprehensive loss for the period	---	---	(8,335,849)	(935,828)	(9,271,677)	(29,491)	(9,301,168)
Balance as at March 31, 2016	**66,734,172**	**2,411,647**	**(40,314,430)**	**3,324,663**	**32,156,052**	**(585,342)**	**31,570,710**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

First quarters ended March 31,

CASH FLOWS FROM THE FOLLOWING ACTIVITIES :	2017	2016
	$	$
Operating		
Net income (loss)	**3,791,836**	(8,376,045)
Adjustments for :		
Changes in fair value of financial liabilities	**(1,088,358)**	7,446,043
Exchange difference	**15,519**	(96,810)
Financial expenses	**1,699,370**	95,323
Depreciation of property, plant and equipment and amortization of intangible assets	**1,599,906**	151,621
Environnemental liabilities	**5,538**	(27,337)
Net changes in non-cash working capital items - note 17	**2,384,944**	(1,657,500)
Interest paid	**(933,925)**	(36,926)
	7,474,830	(2,501,631)
Investing		
Variation in deposits paid on investments	**232,195**	(337,884)
Acquisition of mining properties	**(84,925)**	(88,040)
Gold sales (1)	**---**	773,934
Acquisition of property, plant and equipment	**(5,643,240)**	(6,196,157)
	(5,495,970)	(5,848,147)
Financing		
Long-term debt contracted	**---**	15,439,892
Repayment of long-term debt	**(1,670,323)**	(3,377,998)
Variation of line of credit	**12,922**	(1,400,558)
	(1,657,401)	10,661,336
Effect of exchange rate changes on cash and cash equivalents	**(35,236)**	68,330
Increase in cash and cash equivalents	**286,223**	2,379,888
Cash and cash equivalents - Beginning of period	**2,347,224**	278,580
Cash and cash equivalents - End of period	**2,633,447**	2,658,468
Cash and cash equivalents are composed of:		
Cash and cash equivalents	**2,633,447**	2,658,468

(1) Gold sales are recognized in the statement of income (loss) since January 1, 2017

Additional information (note 17)

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

1 - NATURE OF OPERATIONS AND GOING CONCERN

Nature of activities

Robex Resources Inc. (the "Company") is a junior Canadian operation and exploration mining company. The Company has entered into commercial operation on it's Nampala deposit, on January 1, 2017. In addition to its operation mining activities, the Company currently holds four exploration licenses, all located in Mali, in West Africa. These permits all demonstrate a favourable geology with a potential for the discovery of gold deposits. The head office address is 437, Grande-Allée Est, Québec (Québec) G1R 2J5, Canada.

Going concern

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (IFRS) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Company’s ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These condensed interim consolidated financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and consolidated balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

As at March 31, 2017, the Company has an accumulated deficit of $37,332,308 ($41,155,836 as at December 31, 2016). In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its obligations and existing commitments for exploration and evaluation programs, for mining operation and for pay general and administration costs. As at March 31, 2017, the Company had a working capital deficiency of $22,998,030 ($24,188,098 as at December 31, 2016), including cash and cash equivalents of $2,663,447 ($2,347,224 as at December 31, 2016).

Until the Company's mining operations have confirmed an adequate improvement in financial condition, the continuation of its activities will depend on its ability to continue to have necessary financing by way of borrowing. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding or initiatives will be available to the Company or that they will be available on terms acceptable to the Company. If management is unable to renew necessary funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements.

Although the Company has taken steps to verify the title to mining properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and may not be in compliance with regulatory requirements.

2 - BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), applicable to the preparation of interim consolidated financial statements, including IAS 34, «Interim Financial Reporting». The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB. These condensed interim consolidated financial statements were approved by the Board of Directors for issue on May 29, 2017.

3 - SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The Canadian dollar is the presentation currency. The euro is the functional currency of the company. It was amended on January 1, 2017. Before January 1, 2017, the CFA franc was the functional currency of the company. This change had no impact on these condensed interim consolidated financial statements as the exchange rate between the euro and the CFA franc was set by the European Union and West Africa at a fixed rate of 655.957 CFA francs for one euro.

Inventories

Inventories of silver (metals) are marketable inventories and are measured at net realizable value, which is the estimated selling price in the ordinary course of business less estimated costs to realize the sale.

The material extracted from the mining pits is classified as a sterile material corresponding to stripping costs and capitalized to property, plant and equipment, or as ore stocks. Ore represents material that, at the time of extraction, is expected to be processed into a saleable form and sold at a profit. Raw materials are comprised of ore in stockpiles. Ore is accumulated in stockpiles that are subsequently processed into gold in a saleable form. Work in process represents dorés in the processing circuit that has not completed the production process, and is not yet in a saleable form. Mine operating supplies represent commodity consumables and other raw materials used in the production process, as well as spare parts and other maintenance supplies that are not classified as property, plant and equipment.

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs incurred, based on a normal production capacity, in bringing each product to its present location and condition. Cost of inventories includes direct labour, materials and contractor expenses and an allocation of mine site overhead costs. As ore is sent to the mill for processing, costs are reclassified out of inventory based on the average cost per tonne of the stockpile.

The Company records provisions to reduce inventory to net realizable value to reflect changes in economic factors that impact inventory value and to reflect present intentions for the use of slow moving and obsolete supplies inventory. Net realizable value is determined with reference to relevant market prices less applicable variable selling expenses. Provisions recorded also reflect an estimate of the remaining costs of completion to bring the inventory into its saleable form. Provisions are also recorded to reduce mine operating supplies to net realizable value, which is generally calculated by reference to its salvage or scrap value, when it is determined that the supplies are obsolete. Provisions are reversed to reflect subsequent recoveries in net realizable value where the inventory is still on hand.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Property, plant and equipment

Property, plant and equipment are initially and subsequently recorded at cost less accumulated depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

Repairs and maintenance costs are charged to the consolidated statement of income (loss) during the period in which they are incurred.

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. In case of change in these estimates, they are accounted for prospectively.

Expenditures on major maintenance rebuilds or overhauls are capitalized when it is probable that the expenditure will extend the productive capacity or useful life of an asset.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included in the consolidated statement of income (loss).

Property acquisition costs, exploration costs and mining development costs

Costs incurred relative to proven and probable developed and undeveloped reserves, and probable non-reserve resources, if there is sufficient objective evidence to support a conclusion that it is probable that the non-reserve resources will be produced (the "probable non-reserve resources"), are included in the depreciable amount. Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount of the asset is its cost, or any other amount substituted for cost, less its residual value.

Depreciation begins when a property is put into commercial operation and is calculated using the units of production method over the expected operating life of the mine based on estimated recoverable ounces of gold. Estimated recoverable ounces of gold include proved and probable reserves.

Exploration costs incurred on a property in production are capitalized to property, plant and equipment and amortized based on estimated recoverable ounces of gold in the resource area concerned.

Equipment related to mining operations

Equipment related to mining operations is recorded at cost and depreciated, less residual value, using the units of production method over the expected operating life of the mine based on estimated recoverable ounces of gold. However, if the estimated useful life of the assets is less than that of the mine, depreciation is based on their estimated useful life.

Buildings and office development

Buildings and office development are recorded at cost and depreciated, less residual value, using the straight-line method over the expected operating life of the mine. However, if the expected useful life of the assets is less than that of the mine, depreciation is based on their expected useful life.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Property, plant and equipment - (continued)

Assets under construction

Assets under construction include property, plant and equipment under construction, including those intended for their own use. The cost includes the purchase price, as well as any cost directly attributable to bringing the asset into working condition for its intended use. Assets under construction are classified in the appropriate tangible asset category when the costs are incurred. Assets under construction are recognized at cost, less any recognized impairment loss, and are not depreciated. Their depreciation commences only when they are ready for their intended use.

Tools, equipment and vehicles

Tools, equipment and vehicles include communications equipment and computer equipment and are recorded at cost. Depreciation is calculated using the declining balance method at rates of 20% or 30%, and is recognized in the consolidated statement of income (loss).

Exploration equipment

Depreciation of exploration equipment is expensed or capitalized to mining properties according to the capitalization policy of mining properties. Depreciation of property, plant and equipment, if related to mine development expenditures, is capitalized in mine development costs. These amounts will be recognized in the consolidated statement of income (loss) through depreciation of property, plant and equipment when they are put into production (or when mining properties are put into production). For those which are not related to exploration and development activities, depreciation expense is recognized directly in the consolidated statement of income (loss).

Stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred in order to provide initial access to the ore body (referred to as pre-production stripping) are capitalized and amortized when the ore to which the costs are attached is extracted from the pit and the mine is considered operational. When these costs are directly attributable to the development of a tangible asset category, they are recorded into it.

It may be also required to remove waste materials and to incur stripping costs during the production phase of the mine. The Company recognizes a stripping activity asset if all of the below conditions are met:

(i) It is probable that the future economic benefit (improved access to the component of the ore body) associated with the stripping activity will flow to the Company.

(ii) The Company can identify the component of the ore body for which access has been improved.

(iii) The costs relating to the stripping activity associated with that component can be measured reliably.

The Company measures the stripping activity at cost based on an accumulation of costs incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable mine site overhead costs.

After initial recognition, the stripping activity asset is carried at cost less depreciation and impairment losses in the same way as the existing asset of which it is a part.

The stripping activity asset is depreciated using the units of production method over the expected operating life of the mine, based on the estimated recoverable ounces of gold.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Property, plant and equipment - (continued)

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as financial expenses in the consolidated statement of income (loss) in the period in which they are incurred.

Non-controlling interests

Non-controlling interests consist of the interests in the equity of subsidiaries held by outside parties. The share of the net assets attributable to the non-controlling interests is presented within equity. Their share of profit or loss and other comprehensive income (loss) is recognized directly in equity even if the non-controlling interests have a deficit balance.

Income recognition

Income includes the sale of gold and by-products (silver). Income from the sale of gold and silver is recognized when legal titles (rights and obligations) on metals are transferred to the buyer, it is probable that economic benefits associated with the transaction will flow to the Company and it can be measured reliably. Gold and silver sales are recorded in net income.

Earnings (loss) per share

Basic earnings per share for the period are calculated based on the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per share for the period are calculated using the weighted average number of common shares outstanding during the period, plus the effects of dilutive potential common shares outstanding during the period. The treasury stock method is used to determine the dilutive effect of the warrants, stock options and the if-converted method is used for convertible debentures. Under these methods, the calculation of diluted earnings (loss) per share is made, as if all dilutive potential shares had been issued at the later of the beginning of the year or the date of issuance, as the case may be, and as if the funds obtained thereby had been used to purchase common shares of the Company at the average quoted market value of the common shares during the period.

(all amounts are in Canadian dollars unless otherwise indicated)

4 - SEGMENTED INFORMATION

The company operates in Mali. The operating segments presented reflect the Company's management structure and how the Company's principal operational decision-maker assesses business performance. The composition of the reporting segments was changed on January 1, 2017 to represent operating, exploration and corporate management activities separately. The Company evaluates the performance of its operating segments primarily based on operating income, as shown in the following tables.

				Quarter ended March 31, 2017
				$
	Operation (Nampala, Mali)	Explorations (Mali)	Corporate Management	Total
REVENUE - GOLD SALES	**12,405,458**	**---**	**---**	**12,405,458**
Mining operation expenses - note 5	**4,718,413**	**---**	**---**	**4,718,413**
Royalties and change in environmental liabilities - note 5	**299,836**	**---**	**---**	**299,836**
General and administrative - note 6	**816,286**	**3,812**	**556,364**	**1,376,462**
Depreciation of property, plant and equipment and amortization of intangible assets	**1,597,077**	**---**	**2,829**	**1,599,906**
OPERATING INCOME (LOSS)	**4,973,846**	**(3,812)**	**(559,193)**	**4,410,841**
TOTAL ASSEST AS AT MARCH 31, 2017	**83,723,448**	**5,766,502**	**1,139,804**	**90,629,754**

				Quarter ended March 31, 2016
				$
	Operation (Nampala, Mali)	Explorations (Mali)	Corporate Management	Total
REVENUE - GOLD SALES	---	---	---	---
Mining operation expenses - note 5	---	---	---	---
Royalties and change in environmental liabilities - note 5	(22,714)	---	---	(22,714)
General and administrative - note 6	188,729	15,880	538,906	743,515
Depreciation of property, plant and equipment and amortization of intangible assets	148,251	---	3,370	151,621
OPERATING INCOME (LOSS)	(314,266)	(15,880)	(542,276)	(872,422)
TOTAL ASSEST AS AT DECEMBER 31, 2016	81,127,804	5,612,011	1,343,196	88,083,011

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Three month periods ended March 31, 2017 and 2016

(all amounts are in Canadian dollars unless otherwise indicated)

5 - MINING OPERATION EXPENSES

	First quarters ended March 31,	
	2017	2016
	$	$
Operating and maintenance supplies and service	**2,948,774**	---
Fuel	**1,467,914**	---
Reagents	**987,566**	---
Employee benefits expenses	**732,225**	---
Inventory change	**(213,449)**	---
Less: Production expenses capitalized as stipping cost	**(1,204,617)**	---
MINING OPERATION EXPENSES	**4,718,413**	---
Change in environmental liabilities	**5,538**	(27,337)
Mining royalties	**294,298**	4,623
	5,018,249	(22,714)

6 - GENERAL AND ADMINISTRATIVE

	First quarters ended March 31,	
	2017	2016
	$	$
Operation and exploration - Administrative	**820,098**	204,609
Corporation management - Administrative	**556,364**	538,906
	1,376,462	743,515

7 - FINANCIAL EXPENSES

	First quarters ended March 31,	
	2017	2016
	$	$
Real interest debt component of convertible debentures	**526,954**	502,837
Imputed interest debt component of convertible debentures	**530,796**	461,088
Interest on long-term debt and on lines of credit	**621,174**	338,459
Bank charges	**20,446**	62,071
	1,699,370	1,364,455
Capitalized financial expenses	**---**	1,269,132
	1,699,370	95,323

(all amounts are in Canadian dollars unless otherwise indicated)

8 - INVENTORIES

	March 31, 2017 $ (unaudited)	December 31, 2016 $
Work in progress inventory («doré»)	**2,272,755**	1,831,241
Parts and supplies	**2,324,865**	2,652,003
Ore stockpiles	**201,205**	416,780
Silver (metals)	**10,332**	5,521
	4,809,157	4,905,545

9 - ACCOUNTS RECEIVABLE

	March 31, 2017 $ (unaudited)	December 31, 2016 $
Commodity taxes receivable	**684,743**	71,003
Other receivables	**4,738**	4,507
	689,481	75,510

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Three month period ended March 31, 2017

(all amounts are in Canadian dollars unless otherwise indicated)

10 - MINING PROPERTIES

	Kolomba (A)	Mininko (B)	Sanoula (C)	N'Golopène (D)	Kamasso (E)	Diangounté (F)	
Undivided interest	100%	100%	100%	100%	100%	Expired	**Total**
Mining rights and titles							**$**
Balance as at December 31, 2016	72,139	101,320	197,062	2,648	10,929	---	**384,098**
Acquisition costs	---	---	---	---	---	---	**---**
Exchange rate changes	401	563	1,095	(140)	61	---	**1,980**
Balance as at March 31, 2017	**72,540**	**101,883**	**198,157**	**2,508**	**10,990**	**---**	**386,078**
Exploration costs							
Balance as at December 31, 2016	1,023,430	1,976,210	1,055,991	866,541	38,205	---	**4,960,377**
Expenses incurred	21,231	21,231	21,232	---	21,231	---	**84,925**
Depreciation and amortization	3,822	3,822	3,821	---	3,821	---	**15,286**
Exchange rate changes	5,931	11,225	6,113	4,814	458	---	**28,541**
Balance as at March 31, 2017	**1,054,414**	**2,012,488**	**1,087,157**	**871,355**	**63,715**	**---**	**5,089,129**
Total as at March 31, 2017	**1,126,954**	**2,114,371**	**1,285,314**	**873,863**	**74,705**	**---**	**5,475,207**

(all amounts are in Canadian dollars unless otherwise indicated)

10 - MINING PROPERTIES - (continued)

	Kolomba (A)	Mininko (B)	Sanoula (C)	N'Golopène (D)	Kamasso (E)	Diangounté (F)	
Undivided interest	100%	100%	100%	100%	100%	Expired	**Total**
Mining rights and titles							**$**
Balance as at December 31, 2015	64,897	103,666	197,559	1,141	---	1,164,682	**1,531,945**
Acquisition costs	11,260	---	10,902	---	11,235	---	**33,397**
Write-offs	---	---	---	---	---	(1 144 386)	**(1,144,386)**
Exchange rate changes	(4,018)	(2,346)	(11,399)	1,507	(306)	(20,296)	**(36,858)**
Balance as at December 31, 2016	**72,139**	**101,320**	**197,062**	**2,648**	**10,929**	**---**	**384,098**
Exploration costs							
Balance as at December 31, 2015	908,846	1,603,339	943,378	740,083	---	4,515,683	**8,711,329**
Expenses incurred	97,287	97,287	97,288	99,655	19,805	72	**411,393**
Write-offs	---	---	---	---	---	(4,440,392)	**(4,440,392)**
Depreciation and amortization	74,042	74,042	74,042	74,043	19,160	1,547	**316,875**
Exchange rate changes	(56,744)	201,543	(58,716)	(47,239)	(760)	(76,910)	**(38,826)**
Balance as at December 31, 2016	**1,023,430**	**1,976,210**	**1,055,991**	**866,541**	**38,205**	**---**	**4,960,379**
Total as at December 31, 2016	**1,095,569**	**2,077,530**	**1,253,054**	**869,189**	**49,134**	**---**	**5,344,477**

(all amounts are in Canadian dollars unless otherwise indicated)

11 - PROPERTY, PLANT AND EQUIPMENT

Cost	Mining development costs	Buildings and office development	Equipment related to mining operations	Tools, equipment and vehicles	Exploration equipment	**Total** $
Balance as at December 31, 2015	**17,983,307**	**3,678,025**	**50,750,790**	**2,040,057**	**1,998,056**	**76,450,235**
Additions						
Assets acquired (1)	12,369,638	453,666	13,345,917	72,136	1,532	**26,242,889**
Gold sales	(19,540,187)	---	---	---	---	**(19,540,187)**
Reclassification of mining properties (1)	---	---	---	---	(256,098)	**(256,098)**
Exchange rate changes	(1,542, 239)	(415,170)	(3,010,783)	(111,549)	(108,703)	**(5,188,444)**
Balance as at December 31, 2016	**9,270,519**	**3,716,521**	**61,085,924**	**2,000,644**	**1,634,787**	**77,708,395**
Additions						
Assets acquired	---	30,622	2,077,302	5,601	3,802	**2,117,327**
Disposal	---	---	---	---	---	**---**
Write-offs (2)	---	---	---	---	(948,173)	**(948,173)**
Exchange rate changes	51,509	26,011	341,715	3,792	3,849	**426,876**
Balance as at March 31, 2017	**9,322,028**	**3,773,154**	**63,504,941**	**2,010,038**	**694,265**	**79,304,426**

(1) For the year ended December 31, 2016, an amount of $43,675 for the depreciation of certain items of property, plant and equipment was recorded in the cost of equipment related to mining operations. Also, during the year ended December 31, 2016, financial expenses of $4,516,003 were capitalized to mining development costs and to equipment related to mining operations.

(2) An amount of $948,173 relating to exploration equipment was written off from property, plant and equipment during the three month period ended March 31, 2017 (no write-offs for the year ended December 31, 2016). These equipment had already been fully amortized at the time of the write-off.

(all amounts are in Canadian dollars unless otherwise indicated)

11 - PROPERTY, PLANT AND EQUIPMENT - (continued)

	Mining development costs	Buildings and office development	Equipment related to mining operations	Tools, equipment and vehicles	Exploration equipment	**Total**
Accumulated depreciation						**$**
Balance as at December 31, 2015	**---**	**1,034,446**	**---**	**819,759**	**1,395,681**	**3,249,886**
Depreciation for the year	---	434,507	73,752	201,061	286,836	**996,156**
Disposal	---	---	---	---	(123,297)	**(123,297)**
Exchange rate changes	---	(98,193)	26,371	(48,768)	(83,104)	**(203,694)**
Balance as at December 31, 2016	**---**	**1,370,760**	**100,123**	**972,052**	**1,476,116**	**3,919,051**
Depreciation for the year	184,969	72,260	1282,797	57,724	10,034	**1,607,784**
Write-offs (1)	**---**	---	---	---	(948,173)	**(948,173)**
Exchange rate changes	(196)	7,559	1,428	5,540	3,035	**17,366**
Balance as at March 31, 2017	**184,773**	**1,450,579**	**1,384,348**	**1,035,316**	**541,012**	**4,596,028**
Net amount:						
As at December 31, 2016	9,270,519	2,345,761	60,985,801	1,028,592	158,671	73,789,344
As at March 31, 2017	**9,137,255**	**2,322,575**	**62,120,593**	**974,722**	**153,252**	**74,708,398**

(1) An amount of $948,173 of accumulated depreciation related to exploration equipment was written off during the quarter ended March 31, 2017 (no write-offs for the year ended December 31, 2016).

Property, plant and equipment with a carrying amount of $796,857 are not depreciated because they are either under construction or being installed as at March 31, 2017 ($70,256,320 as at December 31, 2016).

(all amounts are in Canadian dollars unless otherwise indicated)

12 - LONG-TERM DEBT

	March 31, 2017 $ (unaudited)	December 31, 2016 $
Loan from a supplier, annual interest rate of 10 %, payable in four monthly instalments of $71,237 (EUR 50,000) from April to June 2017, then by monthly instalments of $365,185 (EUR 250,000) including capital and interest, until January 2018.	**2,459,167**	2,454,547
Loan from a shareholder of the Company, in the amount of $1,1477,500 (EUR 1,000,000), annual interest of 8%, repayable by December 31, 2017.	**1,424,739**	1,416,867
Bank loan in the amount of $2,703,616 (1.2 billion CFA francs), annual interest of 7%, secured by a pledge of $5,212,802 (2.4 billion CFA francs) on equipment and material located at the Nampala mine. This loan is repayable in monthly installments of $289,600 (133,333,333 CFA francs) plus interest until May 2017 inclusively.	**868,799**	1,724,239
Bank loan in the amount of $4,515,998 (2,000,000,000 CFA francs), annual interest of 7%, secured by a second mortgage land on the operating license for gold and minerals in the region of Nampala. This loan is repayable in monthly installments of $111,385 (51,282,051 CFA francs) plus interest until February 2020 inclusively.	**4,009,848**	4,147,200
Bank loan in the amount of $7,239,033 (3,000,000,000 CFA francs), annual interest of 7.75%, secured by a first mortgage land on the operating license for gold and minerals in the region of Nampala. This loan is repayable in monthly installments of $162,360 (74,751,318 CFA francs) including capital and interest, until April 2020 inclusively.	**5,223,550**	5,555,848
Bank loan in the amount of $4,403,996 (2,000,000,000 CFA francs), annual interest of 7.75%, secured by a first mortgage land on the operating license for gold and minerals in the region of Nampala. This loan is repayable in monthly installments of $108,240 (49,834,212 CFA francs) including capital and interest, until October 2020 inclusively.	**3,961,182**	4,169,434
	17,947,285	19,468,135
Current portion of long-term debt	**8,317,006**	9,070,414
	9,630,279	10,397,721

12 - LONG-TERM DEBT - (continued)

	March 31, 2017 $ (unaudited)	December 31, 2016 $
Lines of credit		
Authorized line of credit from a bank in Mali, for a maximum amount of 500,000,000 CFA francs. Annual interest rate of 9%.	**992,844**	1,066,563
Authorized line of credit from a bank in Mali, for a maximum amount of 2,500,000,000 CFA francs. Annual interest rate of 8%.	**4,430,153**	4,313,620
	5,422,997	5,380,183

13 - WARRANTS

The warrants that were granted varied as follows :

	Quarter ended March 31, 2017 (3 months)		Year ended December 31, 2016 (12 months)	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at the beginning	**80,000,000**	**$0.25**	80,000,000	$0.25
Outstanding at the end	**80,000,000**	**$0.25**	80,000,000	$0.25
Exercisable	**80,000,000**	**$0.25**	80,000,000	$0.25

The following table summarizes information about the Company's warrants as at March 31, 2017.

Number	Exercise price	Remaining Life (years)
80,000,000	$0.25	0.58

Since these instruments are payable in Canadian dollars, which is not the functional currency of the Company, stock purchase warrants do not respect the criteria defined by the IFRS for classification as equity instruments. They are thus considered as derivative instruments initially and subsequently valued at fair value and presented as financial liability. Any subsequent change in the fair value is recognized in profit or loss.

(all amounts are in Canadian dollars unless otherwise indicated)

13 - WARRANTS - (continued)

Fair values as at March 31, 2017 and December 31, 2016 have been estimated using the Black-Scholes option-pricing model with the following assumptions:

	March 31, 2017 (unaudited)	December 31, 2016
Risk-free interest rate	**0.75 %**	0.73 %
Expected volatility	**45.78%**	56.97 %
Dividend yield	**0 %**	0 %
Expected life	**0.58 year**	0.83 year

The fair value of warrants is presented in note 20 hereinafter.

14 - ENVIRONMENTAL LIABILITIES

	March 31, 2017 $ (unaudited)	December 31, 2016 $
Provision related to the subsequent dismantling of the facilities being built on the Nampala site	**339,955**	332,569

The Company’s activities are subject to various laws and regulations regarding environmental restoration and closure provisions for which the Company estimates future costs. These provisions may be revised on the basis of amendments to such laws and regulations and the availability of new information, such as changes in reserves corresponding to a change in the mine life and discount rates, changes in estimated costs of reclamation activities and acquisition or construction of a new mine. The Company makes a provision based on a best estimate of the future cost of rehabilitating mine sites and related production facilities on a discounted basis.

(all amounts are in Canadian dollars unless otherwise indicated)

15 - SHARE CAPITAL

Stock option plan

The stock options varied as follows:

	Quarter ended March 31, 2017 (3 months)		Year ended December 31, 2016 (12 months)	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Oustanding at the beginning	**1,650,000**	**$0.15**	2,058,334	$0.20
Granted	---	---	1,000,000	$0.16
Cancelled or expired	---	---	(1,408,334)	$0.22
Oustanding at the end	**1,650,000**	**$0.15**	1,650,000	$0.15
Exercisable	**1,650,000**	**$0.15**	1,650,000	$0.15

No stock options were exercised during the quarter ended March 31, 2017 (no stock options were exercised during the year ended December 31, 2016).

Reserve - Stock options	**March 31, 2017 $ (unaudited)**	December 31, 2016 $
Current Stock options	**126,686**	126,686
Matured or canceled stock options	**2,366,275**	2,366,275
	2,492,961	2,492,961

The following table summarizes certain information on the Company’s stock options as at March 31, 2017:

	Outstanding options as at March 31, 2017		**Exercisable options as at March 31, 2017**	
		Weighted average remaining contractual life		**Weighted average remaining contractual life**
Exercise price	**Number**	**Years**	**Number**	**Years**
$0.145	**650,000**	**0.7**	**650,000**	**0.7**
$0.16	**1,000,000**	**2.2**	**1,000,000**	**2.2**
	1,650,000		**1,650,000**	

(all amounts are in Canadian dollars unless otherwise indicated)

16 - ACCUMULATED OTHER COMPREHENSIVE INCOME

	March 31, 2017 $ (3 months)	December 31, 2016 $ (12 months)
Exchange difference		
Balance at the beginning	**873,504**	4,233,059
Exchange difference changes in the year	**253,738**	(3,359,555)
Balance at the end	**1,127,242**	873,504
Attributable to:		
Common shareholders	**1,119,044**	860,754
Non-controlling interests	**8,198**	12,750
	1,127,242	873,504

17 - ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

	First quarters ended March 31,	
a) Net changes in non-cash working capital items	**2017 $**	2016 $
Decrease (increase) in current assets		
Accounts receivable	**(613,946)**	(226,625)
Inventories	**123,643**	(158,275)
Prepaid expenses	**(129,952)**	(159,648)
Deposit paid related to operations	**(794,404)**	---
	(1,414,659)	(544,548)
Increase (decrease) in current liabilities		
Accounts payable	**3,799,603**	(1,112,952)
	2,384,944	(1,657,500)
b) Items not affecting cash related to investing activities		
Change in accounts payable related to property, plant and equipment	**3,525,913**	2,348,893

(all amounts are in Canadian dollars unless otherwise indicated)

18 - EARNINGS (LOSS) PER SHARE

	First quarters ended March 31,	
	2017	2016
	$	$
Net earnings (loss) attribuable to common shareholders	**3,823,528**	(8,335,849)
Basic weighted average number of shares outstanding	**579,509,566**	579,509,566
Conversion rights related to convertible debentures (1)	**---**	---
Stock options (1)	**---**	---
Warrants (1)	**---**	---
Diluted weighted average number of shares outstanding	**579,509,566**	579,509,566
Basic net earnings (loss) per share	**0.007**	(0.014)
Diluted net earnings (loss) per share	**0.007**	(0.014)

(1) The calculation of the hypothetical conversions excludes all anti-dilutive conversion rights, options and warrants. Some options, warrants and conversion rights are anti-dilutive because their price is higher than the average market value of the Company's common shares for each of the periods shown in the table. For the quarter ended March 31, 2017, 150,650,000 conversion rights ; 1,650,000 options and 80,000,000 warrants are not included in the diluted net earning (loss) per share calculation (150,650,000 conversion rights ; 1,650,000 options and 80,000,000 warrants for the quarter ended March 31, 2016).

(all amounts are in Canadian dollars unless otherwise indicated)

19 - CONTINGENCY

Environmental Protection

The Company's activities are subject to governmental laws concerning the protection of the environment. The environmental consequences are difficult to identify, whether it is at the level of the results, of the term or its impact. To the best knowledge of management, the Company is operating in compliance with the laws and regulations currently in effect. Costs resulting from the restructuring of sites are recorded in the results for the year or included in the cost of the fixed assets concerned in the period in which it will be possible to make a reasonable estimate.

20 - FINANCIAL INSTRUMENTS

a) Market risk

i) Fair value

The table below provides an analysis of the financial instruments which are measured at fair value following the initial measurement.

	Level 1	**Level 2**	**Level 3**	**March 31, 2017 (unaudited) Total fair value financial liabilities**
Financial liabilites				
Convertible debentures - Debt at amortized cost	---	---	**15,378,188**	**15,378,188**
Convertible debentures - Conversion rights	---	---	**1,737,037**	**1,737,037**
Warrants	---	---	**123**	**123**
	---	**---**	**17,115,348**	**17,115,348**

	Level 1	Level 2	Level 3	December 31, 2016 Total fair value financial liabilities
Financial liabilites				
Convertible debentures - Debt at amortized cost	---	---	14,847,392	14,847,392
Convertible debentures - Conversion rights	---	---	2,791,669	2,791,669
Warrants	---	---	28,847	28,847
	---	---	17,667,908	17,667,908

During these years, there were no transfers of financial instruments between levels 1 and 2 or levels 2 and 3.

(all amounts are in Canadian dollars unless otherwise indicated)

20 - FINANCIAL INSTRUMENTS - (continued)

a) Market risk - (continued)

i) Fair value - (continued)

The table below presents changes in financial instruments recognized at fair value and measured according to Level 3 parameters:

Conversion rights	March 31, 2017 $ (3 months)	December 31, 2016 $ (12 months)
Balance at the beginning	**2,791,669**	4,233,809
Changes in fair value recorded in profit or loss	**(1,059,754)**	(1,240,838)
Impact of exchange rate changes presented in profit or loss	**15,360**	(250,315)
Impact of exchange rate changes presented in other comprehensive income (loss)	**(10,238)**	49,013
Balance at the end	**1,737,037**	2,791,669

Warrants	March 31, 2017 $ (3 months) $	December 31, 2016 $ (12 months) $
Balance at the beginning	**28,847**	1,318,215
Changes in fair value recorded in profit or loss	**(28,604)**	(1,255,251)
Impact of exchange rate changes presented in profit or loss	**159**	(77,937)
Impact of exchange rate changes presented in other comprehensive income (loss)	**(279)**	43,820
Balance at the end	**123**	28,847

(all amounts are in Canadian dollars unless otherwise indicated)

20 - FINANCIAL INSTRUMENTS - (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The following table shows the contractual maturities of financial liabilities as at March 31, 2017 :

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	**17,573,049**	**17,573,049**	---	---
Convertible debentures - Conversion rights (1)	**1,737,037**	---	---	---
Convertible debentures - Debt components (1-3)	**15,378,188**	---	**18,895,000**	---
Warrants (2)	**123**	---	---	---
Long-term debt (3)	**17,947,285**	**9,460,873**	**9,269,531**	**920,040**
Lines of credit	**5,422,997**	**5,422,997**	---	---
	58,058,680	**32,456,919**	**28,164,531**	**920,040**

The following table shows the contractual maturities of financial liabilities as at December 31, 2016:

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	17,048,668	17,048,668	---	---
Convertible debentures - Conversion rights (1))	2,791,669	---	---	---
Convertible debentures - Debt components (1-3)	14,847,392	---	18,895,000	---
Warrants (2)	28,847	---	---	---
Long-term debt (3)	19,468,136	10,636,152	9,383,490	1,946,127
Lines of credit	5,380,183	5,380,183	---	---
	59,564,895	33,065,003	28,278,490	1,946,127

(1) Convertible into 78,600,000 common shares of the Company in November 2018, and into 71,050,000 common shares of the Company in July 2018.

(2) All 80,000,000 warrants will expire in October 2017.

(3) Future maturities relating to these liabilities exceed their carrying amount because they include both capital and interest payments.

21 - RELATED PARTY TRANSACTIONS

Results for the quarter ended March 31, 2017 include expenses of $782,827 that was incurred with the directors and officers of companies controlled by them ($759,944 for the quarter ended March 31, 2016), including a total interest amount of $466,362 on the convertible debentures ($411,993 for the quarter ended March 31, 2016). These transactions occurred in the normal course of operations and are measured at the exchange amount which is the amount of consideration established by the related parties.

22 - SUBSEQUENT EVENTS

On April 4, 2017, the Company obtained a line of credit in the amount of $654,000 (300,000,000 CFA francs) from a Malian bank, bearing interest at the rate of 8%, maturing on March 31, 2018.

On April 17, 2017, NGolopene's research and exploration permit expired and, in April 2017, the company decided not to renew it. As a result, the Company has written off an amount of $869,100 from their mineral properties during the month of April 2017 regarding this permit.