Condensed interim consolidated financial statements - 1st quarter

March 31, 2018 and 2017

The condensed interim consolidated financial statements of Robex Resources Inc. for the first quarter ended March 31, 2018 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

TABLE OF CONTENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – 1st quarter

Notes to condensed interim consolidated financial statements:

INTERIM CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

	First quarters ended March 31,	
	2018	2017
	$	$
REVENUE - GOLD SALES	**20,572,641**	12,405,458
COSTS OF OPERATIONS		
Mining operation expenses - note 6	**7,644,686**	5,012,711
Administrative expenses - note 7	**3,112,819**	1,376,462
Depreciation of property, plant and equipment and amortization of intangible assets	**2,907,465**	1,599,906
OPERATING INCOME	**6,907,671**	4,416,379
OTHER EXPENSES (INCOME)		
Financial expenses - note 8	**1,367,187**	1,704,908
Foreign exchange loss (gain)	**(269,570)**	8,192
Change in fair value of financial liabilities - note 21	**(767,732)**	(1,088,358)
Other income	**(11,240)**	(4,780)
Income before income tax	**6,589,026**	3,796,417
Income tax expense	**183,826**	4,581
NET INCOME FOR THE PERIOD	**6,405,200**	3,791,836
ATTRIBUTABLE TO		
Common shareholders	**5,882,830**	3,823,528
Non-controlling interest	**522,370**	(31,692)
	6,405,200	3,791,836
EARNINGS PER SHARE - note 19		
Basic	**0.010**	0.007
Diluted	**0.010**	0.007

The 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,

	2018	2017
	$	$
NET INCOME FOR THE PERIOD	**6,405,200**	3,791,836
Other comprehensive income		
Items that may be reclassified subsequently to net income		
Exchange difference	**3,312,156**	253,738
COMPREHENSIVE INCOME	**9,717,356**	4,045,574
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO		
Common shareholders	**9,212,842**	4,081,818
Non-controlling interest	**504,514**	(36,244)
	9,717,356	4,045,574

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Three month periods ended March 31, 2018 and 2017

(all amounts are in Canadian dollars unless otherwise indicated)

	Common shareholders						
	Share capital	Reserve - stock options	Deficit	Accumulated other comprehensive income - note 17	Total	Non-controlling interest	**Total equity**
Balance as at December 31, 2017	**66,734,172**	**3,300,359**	**(30,311, 332)**	**3,966,503**	**43,689,702**	**(221, 122)**	**43,468,580**
Net income for the period	---	---	5,882,830	---	5,882,830	522,370	**6,405,200**
Other comprehensive income (loss)	---	---	---	3,330,012	3,330,012	(17, 856)	**3,312,156**
Comprehensive income for the period	---	---	5,882,830	3,330,012	9,212,842	504,514	**9,717,356**
Balance as at March 31, 2018	**66,734,172**	**3,300,359**	**(24,428, 502)**	**7,296,515**	**52,902,544**	**283,392**	**53,185,936**
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 income 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 notes are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL (unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

	As of March 31, 2018 $	As of December 31, 2017 $
ASSETS		
CURRENT ASSETS		
Cash	**2,624,354**	2,137,755
Inventories - note 9	**6,697,360**	6,686,299
Accounts receivable - note 10	**1,146,758**	1,245,928
Prepaid expenses	**297,866**	107,493
Deposits paid	**1,182,378**	975,333
	11,948,716	11,152,808
MINING PROPERTIES - note 11	**5,691,623**	5,251,860
PROPERTY, PLANT AND EQUIPMENT - note 12	**89,367,303**	83,105,137
INTANGIBLE ASSETS	**99,852**	98,969
	107,107,494	99,608,774
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable - note 14	**19,490,029**	19,118,434
Current portion of long-term debt - note 13	**6,208,844**	7,615,128
Line of credit - note 13	**586,425**	658,651
Current portion of conversion rights at fair value of convertible debentures	**1,059,024**	1,748,431
Current portion of debt components at amortized cost of convertible debentures	**17,767,986**	17,140,849
	45,112,308	46,281,493
LONG-TERM DEBT - note 13	**8,533,655**	9,604,321
ENVIRONMENTAL LIABILITIES - note 15	**275,595**	254,380
	53,921,558	56,140,194
EQUITY		
Share capital	**66,734,172**	66,734,172
Reserve - stock options - note 16	**3,300,359**	3,300,359
Deficit	**(24,428,502)**	(30,311,332)
Accumulated other comprehensive income - note 17	**7,296,515**	3,966,503
	52,902,544	43,689,702
Non-controlling interest	**283,392**	(221,122)
	53,185,936	43,468,580
	107,107,494	99,608,774

Going concern (note 1)

The 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,

	2018	2017
CASH FLOWS FROM THE FOLLOWING ACTIVITIES:	**$**	$
Operating		
Net income for the period	**6,405,200**	3,791,836
Adjustments for:		
Change in fair value of financial liabilities	**(767,732)**	(1,088,358)
Exchange difference	**92,695**	15,519
Financial expenses	**1,367,187**	1,704,908
Depreciation of property, plant and equipment and amortization of intangible assets	**2,907,465**	1,599,906
Net changes in non-cash working capital items - note 18	**1,699,677**	2,384,944
Paid interest	**(401,150)**	(933,925)
	11,303,342	7,474,830
Investing		
Variation in deposits paid	**72,040**	232,195
Acquisition of mining properties	**(140,972)**	(84,925)
Acquisition of property, plant and equipment	**(6,835,231)**	(5,643,240)
Acquisition of intangible assets	**(1,731)**	---
	(6,905,894)	(5,495,970)
Financing		
Repayment of long-term debt	**(3,384,116)**	(1,670,323)
Variation of lines of credit	**(107,888)**	12,922
	(3,492,004)	(1,657,401)
Effect of exchange rate changes on cash	**(418,845)**	(35,236)
Increase in cash	**486,599**	286,223
Cash - Beginning of the period	**2,137,755**	2,347,224
Cash - End of the period	**2,624,354**	2,633,447
Tax paid	**116,261**	---

Additional information (note 18)

The 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 its Nampala deposit on January 1, 2017. In addition to its operational mining activities, the Company currently holds four exploration licenses, all located in Mali, West Africa. These permits all demonstrate a favourable geology with a potential for the discovery of gold deposits. The head office's address is 437 Grande Allée East, Québec (Quebec) G1R 2J5, Canada.

Going concern

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (IFRS) based on the going concern assumption, which contemplates the realization of assets and the 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, 2018, the Company has an accumulated deficit of $24,428,502 ($30,311,322 as at December 31, 2017). 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, 2018, the Company had a working capital deficiency of $33,163,592 ($32,128,685 as at December 31, 2017), including cash of $2,624,354 ($2,137,755 as at December 31, 2017).

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 financial statements, including IAS 34, «Interim Financial Reporting». These condensed interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements of the Company, 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, 2018.

3 - SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The Canadian dollar is the presentation currency and the euro is the functional currency of the Company since 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.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial instruments are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial assets and financial liabilities are measured based on their classification. At initial recognition, the Company classifies its financial instruments in the following categories:

Financial assests at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortized cost are recognized initially at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, they are measured at amortized cost using the effective interest method less a provision for impairment. Financial assets at amortized cost are included in current assets, except for those with maturities greater than twelve months after the end of the reporting period, which are classified as non-current assets.

The Company's Financial assets at amortized cost include cash, accounts receivable (except taxes receivable) and deposits paid.

Financial liabilities at amortized cost

Financial liabilities at amortized cost consist of accounts payable, lines of credit, the debt components of convertible debentures and long-term debt. Financial liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, they are measured at amortized cost using the effective interest method. They are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Financial instruments - (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include warrants and the conversion rights of the convertible debentures, and the variation thereof is recorded in profit or loss.

The convertible debentures are valued in Canadian dollars, which is not the functional currency of the Company. Therefore, they must be separated into a debt component and a derivative financial instrument component based on the characteristics listed in the description of the share capital of the Company. The fair value of the derivative financial instrument associated with the debenture was initially evaluated using the Black and Scholes model. This amount has been classified as a liability and measured initially and subsequently at fair value and will continue to be so measured until the instrument is converted or the expiry date has arrived, with exchange differences recorded in profit or loss. The difference between the fair value and the amount of funding was allocated to the debt components of the debentures. These will be amortized until they are carried out or until they are exercised.

Due to a settlement currency other than the functional currency, the warrants do not qualify as equity instruments and are classified as derivative instruments in the liability section. They are measured initially and subsequently at fair value.

Transaction costs

Transaction costs related to financial instruments, that are not classified as assets or liabilities at fair value through profit or loss, are recognized as adjustments to the cost of the financial instrument in the consolidated statement of financial position at the time of initial recognition and are amortized using the effective interest rate method.

4 - CHANGES IN ACCOUNTING METHODS

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, the International Accounting Standards Board (IASB) issued IFRS 15 *Revenue from Contracts with Customers* "IFRS 15". The objective of this new standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability. This new standard contains principles that an entity will apply to determine the measurement of revenue and the moment when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. On January 1, 2018, the Company adopted IFRS 15 retrospectively and revised their revenue recognition policy in accordance with the requirements of IFRS 15. The Company has determined that the adoption of IFRS 15 has no significant impact on their condensed interim consolidated financial statements.

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* "IFRS 9", which will replace IAS 39 *Financial Instruments: Recognition and Measurement* "IAS 39". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements relating to hedge accounting representing a new hedge accounting model have also been added to IFRS 9. On January 1, 2018, the Company adopted IFRS 15 retrospectively and revised their revenue recognition policy in accordance with the requirements of IFRS 15. The Company has determined that the adoption of IFRS 15 has no significant impact on their condensed interim consolidated financial statements.

(all amounts are in Canadian dollars unless otherwise indicated)

5 - 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, 2018
	Operations (Nampala, Mali)	**Explorations (Mali)**	**Corporate management**	**$ Total**
REVENUE - GOLD SALES	**20,572,641**	**---**	**---**	**20,572,641**
Mining operation expenses - note 6	**6,972,655**	**---**	**---**	**6,972,655**
Royalties - note 6	**672,031**	**---**	**---**	**672,031**
Administrative expenses - note 7	**1,548,737**	**1,368**	**1,562,714**	**3,112,819**
Depreciation of property, plant and equipment and amortization of intangible assets	**2,905,990**	**---**	**1,475**	**2,907,465**
OPERATING INCOME (LOSS)	**8,473,228**	**(1,368)**	**(1,564,189)**	**6,907,671**
TOTAL ASSETS AS AT MARCH 31, 2018	**98,366,641**	**8,110,756**	**630,097**	**107,107,494**

				Quarter ended March 31, 2017
	Operations (Nampala, Mali)	Explorations (Mali)	Corporate management	$ Total
REVENUE - GOLD SALES	12,405,458	---	---	12,405,458
Mining operation expenses - note 6	4,718,413	---	---	4,718,413
Royalties - note 6	294,298	---	---	294,298
Administrative expenses - note 7	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)	4,979,384	(3,812)	(559,193)	4,416,379
TOTAL ASSETS AS AT DECEMBER 31, 2017	91,534,313	6,477,412	1,597,049	99,608,774

The Company's procceds come from one client. The Company does not economically depend on a limited number of buyers for the sale of gold, as gold can be sold through many commodity traders around the world.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three month periods ended March 31, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

6 - MINING OPERATION EXPENSES

	First quarters ended March 31,	
	2018	2017
	$	$
Operating and maintenance supplies and service	**4,444,358**	2,948,774
Fuel	**1,969,835**	1,467,914
Reagents	**1,185,010**	987,566
Employee benefit expenses	**897,850**	732,225
Inventory change	**702,763**	(213,449)
Less: production expenses capitalized as stripping cost	**(2,227,161)**	(1,204,617)
	6,972,655	4,718,413
Mining royalties	**672,031**	294,298
	7,644,686	5,012,711

7 - ADMINISTRATIVE EXPENSES

	First quarters ended March 31,	
	2018	2017
	$	$
Operation and exploration - Administrative	**1,550,105**	820,098
Corporation management - Administrative	**1,562,714**	556,364
	3,112,819	1,376,462

8 - FINANCIAL EXPENSES

	First quarters ended March 31,	
	2018	2017
	$	$
Real interest debt component of convertible debentures	**562,129**	526,954
Imputed interest debt component of convertible debentures	**627,137**	530,796
Interest on long-term debt	**113,976**	463,983
Interest on lines of credit	**12,311**	157,191
Bank charges	**44,192**	20,446
Change in environmental liabilities	**7,442**	5,538
	1,367,187	1,704,908

(all amounts are in Canadian dollars unless otherwise indicated)

9 - INVENTORIES

	March 31, 2018 $ (unaudited)	December 31, 2017 $
Work in progress inventory (''doré'')	**2,641,723**	3,240,011
Parts and supplies	**3,767,047**	3,237,158
Ore stockpiles	**285,623**	203,642
Silver (metals)	**2,967**	5,488
	6,697,360	6,686,299

10 - ACCOUNTS RECEIVABLE

	March 31, 2018 $ (unaudited)	December 31, 2017 $
Taxes receivable	**1,137,997**	859,036
Other receivables	**8,761**	386,892
	1,146,758	1,245,928

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three month periods ended March 31, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

11 - MINING PROPERTIES

	Kolomba (A)	Mininko (B)	Sanoula (C)	Kamasso (D)	N'Golopène (E)	
Undivided interest	100%	100%	100%	100%	100%	**Total**
Mining rights and titles						**$**
Balance as at December 31, 2016	72,139	101,320	197,062	10,929	2,648	**384,098**
Acquisition costs	---	11,291	---	11,291	---	**22,582**
Write-offs [1]	---	---	---	---	(2,508)	**(2,508)**
Exchange rate changes	4,498	6,506	12,286	872	(140)	**24,022**
Balance as at December 31, 2017	**76,637**	**119,117**	**209,348**	**23,092**	**---**	**428,194**
Exchange rate changes	4,149	6,450	11,335	1,250	---	**23,184**
Balance as at March 31, 2018	**80,786**	**125,567**	**220,683**	**24,342**	**---**	**451,378**
Exploration costs						**$**
Balance as at December 31, 2016	1,023,431	1,976,211	1,055,992	38,205	866,542	**4,960,381**
Expenses incurred	66,775	156,389	66,775	111,582	---	**401,521**
Write-offs [1]	---	---	---	---	(871,355)	**(871,355)**
Amortization	10,725	22,996	10,725	16,859	---	**61,305**
Exchange rate changes	66,257	126,965	68,289	5,490	4,813	**271,814**
Balance as at December 31, 2017	**1,167,188**	**2,282,561**	**1,201,781**	**172,136**	**---**	**4,823,666**
Expenses incurred	14,097	70,486	14,097	42,291	---	**140,971**
Amortization	1,119	5,599	1,119	3,357	---	**11,194**
Exchange rate changes	63,520	125,210	65,393	10,291	---	**264,414**
Balance as at March 31, 2018	**1,245,924**	**2,483,856**	**1,282,390**	**228,075**	**---**	**5,240,245**
						$
Total as at December 31, 2017	**1,243,825**	**2,401,678**	**1,411,129**	**195,228**	**---**	**5,251,860**
Total as at March 31, 2018	**1,326,710**	**2,609,423**	**1,503,073**	**252,417**	**---**	**5,691,623**

[1] The N'Golopène research and exploration permit expired on May 18, 2017.

(all amounts are in Canadian dollars unless otherwise indicated)

12 - PROPERTY, PLANT AND EQUIPMENT

	Mining development costs	Buildings and office development	Equipment related to mining operations	Tools, equipment and vehicles	Exploration equipment	Total
Cost						**$**
Balance as at December 31, 2016	9,270,519	3,716,521	61,085,924	2,000,644	1,634,787	**77,708,395**
Acquisition	1,282,331	1,815,871	9,155,195	172,499	---	**12,425,896**
Write-offs (1)	---	---	---	---	(948,173)	**(948,173)**
Exchange rate changes	581,025	251,190	3,995,968	119,608	42,793	**4,990,584**
Balance as at December 31, 2017	**11,133,875**	**5,783,582**	**74,237,087**	**2,292,751**	**729,407**	**94,176,702**
Acquisition	1,320,496	452,274	2,896,545	12,576	---	**4,681,891**
Exchange rate changes	606,299	313,151	4,011,724	124,140	39,492	**5,094,806**
Balance as at March 31, 2018	**13,060,670**	**6,549,007**	**81,145,356**	**2,429,467**	**768,899**	**103,953,399**
Accumulated depreciation						**$**
Balance as at December 31, 2016	---	1,370,760	100,123	972,052	1,476,116	**3,919,051**
Depreciation for the period	881,379	330,727	6,248,947	247,880	40,279	**7,749,212**
Write-offs (2)	---	---	---	---	(948,173)	**(948,173)**
Exchange rate changes	18,633	92,438	139,953	66,413	34,038	**351,475**
Balance as at December 31, 2017	**900,012**	**1,793,925**	**6,489,023**	**1,286,345**	**602,260**	**11,071,565**
Depreciation for the period	327,570	138,978	2,376,603	61,880	7,515	**2,912,546**
Exchange rate changes	47,990	96,974	354,348	69,906	32,767	**601,985**
Balance as at March 31, 2018	**1,275,572**	**2,029,877**	**9,219,974**	**1,418,131**	**642,542**	**14,586,096**
Net amount:						**$**
As at December 31, 2017	**10,233,863**	**3,989,657**	**67,748,064**	**1,006,406**	**127,147**	**83,105,137**
As at March 31, 2018	**11,785,098**	**4,519,130**	**71,925,382**	**1,011,336**	**126,357**	**89,367,303**
Not depreciated as at March 31, 2018 (3)	2,678,947	778,879	2,786,912	1,013	---	6,245,750

(1) An amount of $948,173 for exploration equipment was written off property, plant and equipment during the year ended December 31, 2017. This equipment had already been fully depreciated at the time of the write-off.

(2) An amount of $948,173 of accumulated depreciation related to exploration equipment was written off during the year ended December 31, 2017.

(3) Property, plant and equipment with a book value of $6,245,750 are not depreciated because they are either under construction or are being installed at March 31, 2018 ($5,922,658 in December 31, 2017).

(all amounts are in Canadian dollars unless otherwise indicated)

13 - LONG-TERM DEBT

	March 31, 2018 $ (unaudited)	December 31, 2017 $
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 instalments of $124,046 (51,282,051 CFA francs) plus interest until February 2020 inclusively.	**2,853,069**	3,059,550
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 instalments of $178,069 (73,615,402 CFA francs) including capital and interest, until April 2020 inclusively.	**4,098,738**	4,314,132
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 instalments of $118,353 (48,928,202 CFA francs) including capital and interest, until October 2020 inclusively.	**3,315,331**	3,417,403
Bank loan in the amount of $4,603,143 (1,997,000,000 CFA francs), annual interest of 7.75%, secured by a pledge of $5,762,573 (2,500,000,000 CFA francs) on equipment and material located at the Nampala mine. This loan is repayable in monthly instalments of $160,536 (66,367,288 CFA francs) including capital and interest, until November 2020 inclusively.	**4,475,361**	4,582,440
Loan from a supplier, annual interest rate of 10 %, entirely repaid on February 5, 2018.	**---**	176,875
Loan from a shareholder of the Company, in the amount of $1,477,500 (EUR1,000,000), annual interest of 8%. This loan was entirely repaid on March 29, 2018.	**---**	1,505,200
Bank loan in the amount of $483,575 (209,500,000 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 was entirely repaid on March 29, 2018.	**---**	163,849
	14,742,499	17,219,449
Current portion of long-term debt	**6,208,844**	7,615,128
	8,533,655	9,604,321

(all amounts are in Canadian dollars unless otherwise indicated)

13 - LONG-TERM DEBT - (continued)

	March 31, 2018 $ (unaudited)	December 31, 2017 $
Line of credit		
Authorized line of credit from a malian bank, for a maximum amount of 300,000,000 CFA francs, annual interest rate of 8%, due April 15, 2018.	**586,425**	658,651

14 - ACCOUNTS PAYABLE

	March 31, 2018 $ (unaudited)	December 31, 2017 $
Suppliers	**10,513,747**	10,742,444
Accrued interest	**5,236,585**	4,922,042
Due to the state	**2,302,288**	2,103,173
Payables to related parties	**966,685**	935,465
Other payables	**470,724**	415,310
	19,490,029	19,118,434

15 - ENVIRONMENTAL LIABILITIES

	March 31, 2018 $ (unaudited)	December 31, 2017 $
Provision related to the subsequent dismantling of the facilities being built on the Nampala site	**275,595**	254,380

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)

16 - SHARE CAPITAL

Stock option plan

The stock options varied as follows:

	Quarter ended March 31, 2018 (3 months)		Year ended December 31, 2017 (12 months)	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Oustanding at the beginning	**13,350,000**	**$0.10**	1,650,000	$0.15
Granted	---	---	12,350,000	$0.09
Cancelled or expired	---	---	(650,000)	$0.15
Oustanding at the end	**13,350,000**	**$0.10**	13,350,000	$0.10
Exercisable	**13,350,000**	**$0.10**	13,350,000	$0.10

For the quarter ended March 31, 2018, no stock options were exercised (no stock options were exercised for the year ended December 31, 2017).

Reserve - stock options	**As of March 31, 2018 $ (unaudited)**	As of December 31, 2017 $
Current stock options	**877,144**	877,144
Matured or cancelled stock options	**2,423,215**	2,423,215
	3,300,359	3,300,359

The following table summarizes certain information on the Company's stock options as at March 31, 2018:

	Outstanding options as at March 31, 2018		Exercisable options as at March 31, 2018	
		Weighted average remaining contractual life		Weighted average remaining contractual life
Exercise price	**Number**	**Years**	**Number**	**Years**
$0.09	**12,350,000**	**4.3**	**12,350,000**	**4.3**
$0.16	**1,000,000**	**1.2**	**1,000,000**	**1.2**
	13,350,000		**13,350,000**	

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Three month periods ended March 31, 2018 and 2017
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

17 - ACCUMULATED OTHER COMPREHENSIVE INCOME

	March 31, 2018 $ (3 months)	December 31, 2017 $ (12 months)
Exchange difference		
Balance at the beginning of the period	**3,933,689**	873,504
Exchange difference changes during the period	**3,312,156**	3,060,185
Balance at the end of the period	**7,245,845**	3,933,689
Attributable to		
Common shareholders	**7,296,515**	3,966,503
Non-controlling interest	**(50,670)**	(32,814)
	7,245,845	3,933,689

18 - ADDITIONAL INFORMATION ON THE INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

a) Net changes in non-cash working capital items

	First quarters ended March 31, 2018 $	2017 $
Decrease (increase) in current assets		
Accounts receivable	**120,118**	(613,946)
Inventories	**350,967**	123,643
Prepaid expenses	**(184,553)**	(129,952)
Deposits paid	**(232,227)**	(794,404)
	54,307	(1,414,659)
Increase in current liabilities		
Accounts payable	**1,645,372**	3,799,603
	1,699,677	2,384,944

b) Items not affecting cash related to investing activities

	2018 $	2017 $
Change in accounts payable related to property, plant and equipment	**2,153,340**	3,525,913

(all amounts are in Canadian dollars unless otherwise indicated)

19 - EARNINGS PER SHARE

	First quarters ended March 31,	
	2018	2017
	$	$
Net earnings and diluted attributable to common shareholders	**5,882,830**	3,823,528
Basic weighted average number of shares outstanding	**579,509,566**	579,509,566
Conversion rights related to convertible debentures (1)	**---**	---
Stock options (1)	**---**	---
Diluted weighted average number of shares outstanding	**579,509,566**	579,509,566
Basic net earnings per share	**0.010**	0.007
Diluted net earnings per share	**0.010**	0.007

(1) The calculation of the hypothetical conversions excludes all anti-dilutive conversion rights, stock options and warrants. Some stock options, warrants and conversion rights are anti-dilutive either because their price is higher than the average price of the Company's common shares for each of the periods shown or because the impact of the conversion of these elements on net income would result in diluted earnings per share being greater than the basic earnings per share for each of these periods. For the quarter ended March 31, 2018, 149,650,000 conversion rights and 13,350,000 stock options are not included in the diluted net earning per share calculation (150,650,000 conversion rights, 1,650,000 stock options and 80,000,000 warrants for the quarter ended March 31, 2017).

20 - 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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Three month periods ended March 31, 2018 and 2017
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

21 - 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, 2018 (unaudited) Total fair value of financial liabilities
				$
Financial liabilites				
Convertible debentures - Conversion rights	---	---	1,059,024	1,059,024
	---	---	1,059,024	1,059,024

	Level 1	Level 2	Level 3	December 31, 2017 Total fair value of financial liabilities
				$
Financial liabilites				
Convertible debentures - Conversion rights	---	---	1,748,431	1,748,431
	---	---	1,748,431	1,748,431

During these periods, there were no transfers of financial instruments between levels.

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

Conversion rights	March 31, 2018 $ (3 months)	December 31, 2017 $ (12 months)
Balance at the beginning of the period	**1,748,431**	2,791,669
Changes in fair value recorded in profit or loss	**(767,732)**	(1,183,863)
Impact of exchange rate changes presented in profit or loss	**92,696**	169,265
Impact of exchange rate changes presented in other comprehensive income	**(14,371)**	(28,640)
Balance at the end of the period	**1,059,024**	1,748,431

(all amounts are in Canadian dollars unless otherwise indicated)

21 - 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, 2018:

	Carrying amount	**Less than a year**	**From 1 to 3 years**	**More than 3 years**
Accounts payable	**19,490,029**	**19,490,029**	**---**	**---**
Convertible debentures - Conversion rights (1)	**1,059,024**	**---**	**---**	**---**
Convertible debentures - Debt components (1-2)	**17,767,986**	**18,895,000**	**---**	**---**
Long-term debt (2)	**14,742,499**	**7,313,142**	**9,195,809**	**---**
Lines of credit	**586,425**	**586,425**	**---**	**---**
	53,645,963	**46,284,596**	**9,195,809**	**---**

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

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	19,118,434	19,118,434	---	---
Convertible debentures - Conversion rights (1)	1,748,431	---	---	---
Convertible debentures - Debt components (1-2)	17,140,849	18,895,000	---	---
Long-term debt (2)	17,219,449	8,873,764	10,495,754	---
Lines of credit	658,651	658,651	---	---
	55,885,814	47,545,849	10,495,754	---

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

22 - RELATED PARTY TRANSACTIONS

Results for the quarter ended March 31, 2018 include expenses of $1,771,231 that was incurred with the directors and officers of companies controlled by them ($782,827 for the quarter ended March 31, 2017), including a total interest amount of $496,957 on the convertible debentures ($466,362 for the quarter ended March 31, 2017). 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.