



Condensed Interim Consolidated Financial Statements - 2nd quarter
June 30, 2018 and 2017

The condensed interim consolidated financial statements of Robex Resources Inc. for the second quarter ended June 30, 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 – 2nd quarter

Interim Consolidated Statements of Income.....	2
Interim Consolidated Statements of Comprehensive Income (Loss).....	3
Interim Consolidated Statements of Changes in Equity.....	4
Interim Consolidated Statements of Financial Position.....	5
Interim Consolidated Statements of Cash Flows.....	6

Notes to Condensed Interim Consolidated Financial Statements:

1 - Nature of Operations and Going Concern.....	7
2 - Basis of Presentation.....	8
3 - Significant Accounting Policies.....	8
4 - Changes in Accounting Methods.....	9
5 - Segmented Information.....	10
6 - Mining Operation Expenses.....	12
7 - Administrative Expenses.....	12
8 - Financial Expenses.....	12
9 - Inventories.....	13
10 - Accounts Receivable.....	13
11 - Mining Properties.....	14
12 - Property, Plant and Equipment.....	15
13 - Long-Term Debt.....	16
14 - Accounts Payable.....	17
15 - Environmental Liabilities.....	17
16 - Share Capital.....	18
17 - Accumulated Other Comprehensive Income.....	19
18 - Additional Information on the Interim Consolidated Statements of Cash Flows.....	19
19 - Earnings Per Share.....	20
20 - Contingency.....	20
21 - Financial Instruments.....	21
22 - Related Party Transactions.....	23
23 - Subsequent Event.....	23

INTERIM CONSOLIDATED STATEMENTS OF INCOME (unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

	Second quarters ended June 30,		First halves ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
REVENUE - GOLD SALES	19,376,033	15,207,105	39,948,674	27,612,563
COSTS OF OPERATIONS				
Mining operation expenses - note 6	6,856,056	5,304,314	14,500,743	10,317,025
Administrative expenses - note 7	3,583,947	2,263,427	6,696,766	3,639,888
Depreciation of property, plant and equipment and amortization of intangible assets	2,919,575	1,942,914	5,827,040	3,542,820
OPERATING INCOME	6,016,455	5,696,450	12,924,125	10,112,830
OTHER EXPENSES (INCOME)				
Financial expenses - note 8	1,528,612	1,727,280	2,895,796	3,432,188
Foreign exchange loss (gain)	54,119	(81,025)	(215,451)	(72,833)
Change in fair value of financial liabilities - note 21	(961,923)	175,131	(1,729,655)	(913,227)
Write-off of mining properties - note 11	---	873,863	---	873,863
Other income	(8,579)	(20,997)	(19,822)	(25,777)
Income before income tax	5,404,226	3,022,198	11,993,257	6,818,616
Income tax expense	161,937	171,534	345,763	176,116
NET INCOME FOR THE PERIOD	5,242,289	2,850,664	11,647,494	6,642,500
ATTRIBUTABLE TO				
Common shareholders	4,795,681	2,828,236	10,678,516	6,651,764
Non-controlling interest	446,608	22,428	968,978	(9,264)
	5,242,289	2,850,664	11,647,494	6,642,500
EARNINGS PER SHARE - note 19				
Basic	0.008	0.005	0.018	0.011
Diluted	0.008	0.005	0.018	0.011

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)

**Second quarters
ended June 30,****First halves
ended June 30,**

	2018	2017	2018	2017
	\$	\$	\$	\$
NET INCOME FOR THE PERIOD	5,242,289	2,850,664	11,647,494	6,642,500
Other comprehensive income (loss)				
Item that may be reclassified subsequently to net income (loss)				
Exchange difference	(2,398,811)	1,935,793	913,345	2,189,531
COMPREHENSIVE INCOME	2,843,478	4,786,457	12,560,839	8,832,031
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO				
Common shareholders	2,402,453	4,797,991	11,615,300	8,879,809
Non-controlling interest	441,025	(11,534)	945,539	(47,778)
	2,843,478	4,786,457	12,560,839	8,832,031

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

	Common shareholders				Total	Non-controlling interest	Total equity
	Share capital	Reserve - stock options	Deficit	Accumulated other comprehensive income - note 17			
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	---	---	10,678,516	---	10,678,516	968,978	11,647,494
Other comprehensive income (loss)	---	---	---	936,784	936,784	(23, 439)	913,345
Comprehensive income for the period	---	---	10,678,516	936,784	11,615,300	945,539	12,560,839
Balance as at June 30, 2018	66,734,172	3,300,359	(19,632, 816)	4,903,287	55,305,002	724,417	56,029,419
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	---	---	6,651,764	---	6,651,764	(9, 264)	6,642,500
Other comprehensive income (loss)	---	---	---	2,228,045	2,228,045	(38, 514)	2,189,531
Comprehensive income (loss) for the period	---	---	6,651,764	2,228,045	8,879,809	(47,778)	8,832,031
Balance as at June 30, 2017	66,734,172	2,492,961	(34,504, 072)	3,088,799	37,811,860	(794, 282)	37,017,578

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

	As of June 30, 2018 \$	As of December 31, 2017 \$
ASSETS		
CURRENT ASSETS		
Cash	4,393,184	2,137,755
Inventories - note 9	6,445,878	6,686,299
Accounts receivable - note 10	1,143,524	1,245,928
Prepaid expenses	506,982	107,493
Deposits paid	1,701,539	975,333
	14,191,107	11,152,808
MINING PROPERTIES - note 11	5,637,928	5,251,860
PROPERTY, PLANT AND EQUIPMENT - note 12	87,067,703	83,105,137
INTANGIBLE ASSETS	90,572	98,969
	106,987,310	99,608,774
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable - note 14	18,908,107	19,118,434
Current portion of long-term debt - note 13	6,141,480	7,615,128
Line of credit - note 13	410,687	658,651
Conversion rights at fair value of convertible debentures	65,588	1,748,431
Debt components at amortized cost of convertible debentures	18,429,077	17,140,849
	43,954,939	46,281,493
LONG-TERM DEBT - note 13	6,728,759	9,604,321
ENVIRONMENTAL LIABILITIES - note 15	274,193	254,380
	50,957,891	56,140,194
EQUITY		
Share capital	66,734,172	66,734,172
Reserve - stock options - note 16	3,300,359	3,300,359
Deficit	(19,632,816)	(30,311,332)
Accumulated other comprehensive income - note 17	4,903,287	3,966,503
	55,305,002	43,689,702
Non-controlling interest	724,417	(221,122)
	56,029,419	43,468,580
	106,987,310	99,608,774

Going concern (note 1)

Subsequent event (note 23)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**(unaudited)**

(all amounts are in Canadian dollars unless otherwise indicated)

**Second quarters
ended June 30,****First halves
ended June 30,**

	2018	2017	2018	2017
	\$	\$	\$	\$
CASH FLOWS FROM THE FOLLOWING ACTIVITIES:				
Operating				
Net income for the period	5,242,289	2,850,664	11,647,494	6,642,500
Adjustments for:				
Change in fair value of financial liabilities	(961,923)	175,131	(1,729,655)	(913,227)
Exchange difference	(56,686)	109,562	36,009	125,081
Financial expenses	1,528,612	1,727,280	2,895,796	3,432,188
Depreciation of property, plant and equipment and amortization of intangible assets	2,919,575	1,942,914	5,827,040	3,542,820
Write-off of mining properties	---	873,863	---	873,863
Net changes in non-cash working capital items - note 18	(1,424,429)	(1,632,910)	275,247	752,034
Paid interest	(362,114)	(772,248)	(763,264)	(1,706,173)
	6,885,324	5,274,256	18,188,667	12,749,086
Investing				
Variation in deposits paid	(90,027)	1,084,420	(17,987)	1,316,615
Acquisition of mining properties	(118,852)	(115,142)	(259,824)	(200,067)
Acquisition of property, plant and equipment	(3,543,474)	(3,076,032)	(10,378,705)	(8,719,272)
Acquisition of intangible assets	---	---	(1,731)	---
	(3,752,353)	(2,106,754)	(10,658,247)	(7,602,724)
Financing				
Long-term debt contracted	---	4,982,781	---	4,982,781
Repayment of long-term debt	(1,401,216)	(2,158,425)	(4,785,332)	(3,828,748)
Variation of lines of credit	(157,001)	(4,159,329)	(264,889)	(4,146,407)
	(1,558,217)	(1,334,973)	(5,050,221)	(2,992,374)
Effect of exchange rate changes on cash	194,076	(138,328)	(224,770)	(173,564)
Increase in cash	1,768,830	1,694,201	2,255,429	1,980,424
Cash at the beginning of the period	2,624,354	2,633,447	2,137,755	2,347,224
Cash at the end of the period	4,393,184	4,327,648	4,393,184	4,327,648
Tax paid	326,871	114,204	443,132	114,204

Additional information (note 18)

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

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 June 30, 2018, the Company has an accumulated deficit of \$19,632,816 (\$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 June 30, 2018, the Company had a working capital deficiency of \$29,763,832 (\$35,128,685 as at December 31, 2017), including cash of \$4,393,184 (\$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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

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 August 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 assets 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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

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 9 retrospectively and revised their revenue recognition policy in accordance with the requirements of IFRS 9. The Company has determined that the adoption of IFRS 9 has no significant impact on their condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(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 June 30, 2018			\$ Total
	Operations (Nampala, Mali)	Explorations (Mali)	Corporate management	
REVENUE - GOLD SALES	19,376,033	---	---	19,376,033
Mining operation expenses - note 6	6,226,023	---	---	6,226,023
Royalties - note 6	630,033	---	---	630,033
Administrative expenses - note 7	1,568,509	2,582	2,012,856	3,583,947
Depreciation of property, plant and equipment and amortization of intangible assets	2,918,100	---	1,475	2 919 575
OPERATING INCOME (LOSS)	8,033,368	(2,582)	(2,014,331)	6,016,455

	Quarter ended June 30, 2017			\$ Total
	Operations (Nampala, Mali)	Explorations (Mali)	Corporate management	
REVENUE - GOLD SALES	15,207,105	---	---	15,207,105
Mining operation expenses - note 6	4,941,330	---	---	4,941,330
Royalties - note 6	362,984	---	---	362,984
Administrative expenses - note 7	1,479,216	5,712	778,499	2,263,427
Depreciation of property, plant and equipment and amortization of intangible assets	1,940,085	---	2,829	1,942,914
OPERATING INCOME (LOSS)	6,483,490	(5,712)	(781,328)	5,696,450

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

5 - SEGMENTED INFORMATION - (continued)

	Halve ended June 30, 2018			\$ Total
	Operation (Nampala, Mali)	Explorations (Mali)	Corporate Management	
REVENUE - GOLD SALES	39,948,674	---	---	39,948,674
Mining operation expenses - note 6	13,198,678	---	---	13,198,678
Royalties - note 6	1,302,065	---	---	1,302,065
Administrative expenses - note 7	3,117,245	3,951	3,575,570	6,696,766
Depreciation of property, plant and equipment and amortization of intangible assets	5,824,090	---	2,950	5,827,040
OPERATING INCOME (LOSS)	16,506,596	(3,951)	(3,578,520)	12,924,125
TOTAL ASSETS AS AT JUNE 30, 2018	97,527,701	8,002,243	1,457,366	106,987,310

	Halve ended June 30, 2017			\$ Total
	Operations (Nampala, Mali)	Explorations (Mali)	Corporate Management	
REVENUE - GOLD SALES	27,612,563	---	---	27,612,563
Mining operation expenses - note 6	9,659,743	---	---	9,659,743
Royalties - note 6	657,282	---	---	657,282
Administrative expenses - note 7	2,295,501	9,524	1,334,863	3,639,888
Depreciation of property, plant and equipment and amortization of intangible assets	3,537,162	---	5,658	3,542,820
OPERATING INCOME (LOSS)	11,462,875	(9,524)	(1,340,521)	10,112,830
TOTAL ASSETS AS AT DECEMBER 31, 2017	91,534,313	6,477,412	1,597,049	99,608,774

The Company's proceeds 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

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

6 - MINING OPERATION EXPENSES

	Second quarters ended June 30,		First halves ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Operating and maintenance supplies and service	4,029,236	2,075,821	8,473,594	5,024,595
Fuel	1,847,175	1,592,930	3,817,010	3,060,844
Reagents	1,300,396	1,037,626	2,485,406	2,025,192
Employee benefit expenses	801,791	879,551	1,699,641	1,611,776
Inventory change	55,138	648,803	757,901	435,354
Less: production expenses capitalized as stripping cost	(1,807,713)	(1,293,401)	(4,034,874)	(2,498,018)
	6,226,023	4,941,330	13,198,678	9,659,743
Mining royalties	630,033	362,984	1,302,065	657,282
	6,856,056	5,304,314	14,500,743	10,317,025

7 - ADMINISTRATIVE EXPENSES

	Second quarters ended June 30,		First halves ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Operation and exploration	1,571,091	1,484,928	3,121,196	2,305,025
Corporation management	2,012,856	778,499	3,575,570	1,334,863
	3,583,947	2,263,427	6,696,766	3,639,888

8 - FINANCIAL EXPENSES

	Second quarters ended June 30,		First halves ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Real interest debt component of convertible debentures	568,375	533,787	1,130,504	1,060,741
Imputed interest debt component of convertible debentures	661,091	559,051	1,288,227	1,089,847
Interest on long-term debt	228,278	388,478	342,253	852,461
Interest on lines of credit	22,116	171,194	34,426	328,385
Bank charges	41,348	68,917	85,540	89,363
Change in environmental liabilities	7,404	5,853	14,846	11,391
	1,528,612	1,727,280	2,895,796	3,432,188

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

9 - INVENTORIES

	June 30, 2018	December 31, 2017
	\$	\$
	(unaudited)	
Work in progress inventory ("doré")	2,418,727	3,240,011
Parts and supplies	3,655,785	3,237,158
Ore stockpiles	359,937	203,642
Silver (metals)	11,429	5,488
	6,445,878	6,686,299

10 - ACCOUNTS RECEIVABLE

	June 30, 2018	December 31, 2017
	\$	\$
	(unaudited)	
Taxes receivable	1,135,606	859,036
Other receivables	7,918	386,892
	1,143,524	1,245,928

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

11 - MINING PROPERTIES

	Kolomba	Mininko	Sanoula	Kamasso	N'Golopène	Total
Undivided interest	100%	100%	100%	100%	Expired	
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	1,568	2,438	4,284	472	---	8,762
Balance as at June 30, 2018	78,205	121,555	213,632	23,564	---	436,956
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	31,995	119,858	36,575	71,394	---	259,822
Amortization	2,237	11,195	2,237	5,035	---	20,704
Exchange rate changes	23,681	45,761	24,382	2,956	---	96,780
Balance as at June 30, 2018	1,225,101	2,459,375	1,264,975	251,521	---	5,200,972
						\$
Total as at December 31, 2017	1,243,825	2,401,678	1,411,129	195,228	---	5,251,860
Total as at June 30, 2018	1,303,306	2,580,930	1,478,607	275,085	---	5,637,928

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(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 costs	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 costs	1,548,256	679,212	5,894,986	39,905	---	8,162,359
Exchange rate changes	188,770	103,901	1,419,018	46,515	14,925	1,773,129
Balance as at June 30, 2018	12,870,901	6,566,695	81,551,091	2,379,171	744,332	104,112,190
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	723,148	286,089	4,690,050	122,902	15,025	5,837,214
Exchange rate changes	7,254	32,127	59,525	24,578	12,224	135,708
Balance as at June 30, 2018	1,630,414	2,112,141	11,238,598	1,433,825	629,509	17,044,487
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 June 30, 2018	11,240,487	4,454,554	70,312,493	945,346	114,823	87,067,703
Not depreciated						
as at June 30, 2018 ⁽³⁾	---	531,974	3,626,121	---	---	4,158,095

⁽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 \$4,158,095 are not depreciated because they are either under construction or are being installed at June 30, 2018 (\$5,922,658 in December 31, 2017).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

13 - LONG-TERM DEBT

	June 30, 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 \$120,083 (51,282,051 CFA francs) plus interest until February 2020 inclusively.	2,436,829	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 \$172,379 (73,615,402 CFA francs) including capital and interest, until April 2020 inclusively.	3,524,666	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 \$114,571 (48,928,202 CFA francs) including capital and interest, until October 2020 inclusively.	2,926,048	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 \$155,407 (66,367,288 CFA francs) including capital and interest, until November 2020 inclusively.	3,982,696	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
	12,870,239	17,219,449
Current portion of long-term debt	6,141,480	7,615,128
	6,728,759	9,604,321

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

13 - LONG-TERM DEBT - (continued)

	June 30, 2018	December 31, 2017
	\$	\$
	(unaudited)	
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 on May 31, 2019.	410,687	658,651

14 - ACCOUNTS PAYABLE

	June 30, 2018	December 31, 2017
	\$	\$
	(unaudited)	
Suppliers	8,465,059	10,742,444
Accrued interest	5,744,124	4,922,042
Due to the state	1,885,238	2,148,069
Payables to related parties	2,344,061	935,465
Other payables	469,625	370,414
	18,908,107	19,118,434

15 - ENVIRONMENTAL LIABILITIES

	June 30, 2018	December 31, 2017
	\$	\$
	(unaudited)	
Provision related to the subsequent dismantling of the facilities being built on the Nampala site	274,193	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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

16 - SHARE CAPITAL**Stock option plan**

The stock options varied as follows:

	Half ended June 30, 2018 (6 months)		Year ended December 31, 2017 (12 months)	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding 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
Outstanding 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 half ended June 30, 2018, no stock options were exercised (no stock options were exercised for the year ended December 31, 2017).

Reserve - stock options

	As of June 30, 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 June 30, 2018:

Exercise price	Outstanding options as at June 30, 2018		Exercisable options as at June 30, 2018	
	Weighted average remaining contractual life		Weighted average remaining contractual life	
	Number	Years	Number	Years
\$0.09	12,350,000	4.0	12,350,000	4.0
\$0.16	1,000,000	1.0	1,000,000	1.0
	13,350,000		13,350,000	

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

17 - ACCUMULATED OTHER COMPREHENSIVE INCOME

	June 30, 2018 \$ (6 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	913,345	3,060,185
Balance at the end of the period	<u>4,847,034</u>	<u>3,933,689</u>
Attributable to		
Common shareholders	4,903,287	3,966,503
Non-controlling interest	<u>(56,253)</u>	<u>(32,814)</u>
	<u>4,847,034</u>	<u>3,933,689</u>

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

	Second quarters ended June 30,		First halves ended June 30,	
	2018 \$	2017 \$	2018 \$	2017 \$
<i>a) Net changes in non-cash working capital items</i>				
Decrease (increase) in current assets				
Accounts receivable	2,954	(256,430)	123,072	(870,376)
Inventories	37,492	(1,846,609)	388,459	(1,722,966)
Prepaid expenses	(216,980)	(123,909)	(401,533)	(253,861)
Deposits paid	(465,364)	197,389	(697,591)	(597,015)
	<u>(641,898)</u>	<u>(2,029,559)</u>	<u>(587,593)</u>	<u>(3,444,218)</u>
Increase (decrease) in current liabilities				
Accounts payable	(782,531)	396,649	862,840	4,196,252
	<u>(1,424,429)</u>	<u>(1,632,910)</u>	<u>275,247</u>	<u>752,034</u>
<i>b) Items not affecting cash related to investing activities</i>				
Change in accounts payable related to property, plant and equipment	63,004	247,385	2,216,344	3,773,298

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

19 - EARNINGS PER SHARE

	Second quarters ended June 30,		First halves ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Net earnings and diluted for the period attributable to common shareholders	4,795,681	2,828,236	10,678,516	6,651,764
Basic weighted average number of shares outstanding	579,509,566	579,509,566	579,509,566	579,509,566
Conversion rights related to convertible debentures ⁽¹⁾	---	---	---	---
Stock options ⁽¹⁾	12,350,000	---	12,350,000	---
Diluted weighted average number of shares outstanding	591,859,566	579,509,566	591,859,566	579,509,566
Basic net earnings per share	0.008	0.005	0.018	0.011
Diluted net earnings per share	0.008	0.005	0.018	0.011

⁽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 June 30, 2018, 149,650,000 conversion rights and 1,000,000 stock options are not included in the diluted net earning per share calculation (149,650,000 conversion rights, 1,650,000 stock options and 80,000,000 warrants for the quarter ended June 30, 2017). For the halve ended June 30, 2018, 149,650,000 conversion rights and 1,000,000 stock options are not included in the diluted net earning per share calculation (149,650,000 conversion rights, 1,650,000 stock options and 80,000,000 warrants for the halve ended June 30, 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 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

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

21 - FINANCIAL INSTRUMENTS**a) Market risk**Fair value

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

				June 30, 2018 (unaudited) Total fair value of financial liabilities \$
	Level 1	Level 2	Level 3	
Financial liabilities				
Convertible debentures - Conversion rights	---	---	65,588	65,588
	---	---	65,588	65,588

				December 31, 2017 Total fair value of financial liabilities \$
	Level 1	Level 2	Level 3	
Financial liabilities				
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:

	June 30, 2018 \$ (6 months)	December 31, 2017 \$ (12 months)
<u>Conversion rights</u>		
Balance at the beginning of the period	1,748,431	2,791,669
Changes in fair value recorded in profit or loss	(1,729,655)	(1,183,863)
Impact of exchange rate changes presented in profit or loss	36,010	169,265
Impact of exchange rate changes presented in other comprehensive income	10,802	(28,640)
Balance at the end of the period	65,588	1,748,431

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(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 June 30, 2018:

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	18,908,107	18,908,107	---	---
Convertible debentures - Conversion rights ⁽¹⁾	65,588	---	---	---
Convertible debentures - Debt components ⁽¹⁻²⁾	18,429,077	18,895,000	---	---
Long-term debt ⁽²⁾	12,870,239	7,084,486	7,189,536	---
Line of credit	410,687	410,687	---	---
	50,683,698	45,298,280	7,189,536	---

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	---
Line 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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six month periods ended June 30, 2018 and 2017

(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

22 - RELATED PARTY TRANSACTIONS

Results for the halve ended June 30, 2018 include expenses of \$3,421,561 that was incurred with the directors and officers of companies controlled by them (\$1,728,262 for the halve ended June 30, 2017), including a total interest amount of \$999,436 on the convertible debentures (\$938,801 for the halve ended June 30, 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.

23 - SUBSEQUENT EVENT

On August 29, 2018, the Company contracted a bank loan in the amount of \$11,531,940 (five billion CFA francs), bearing interest at the rate of 7% annually, repayable over four years.