



Condensed interim consolidated financial statements - 2nd quarter  
June 30, 2015 and 2014

The condensed interim consolidated financial statements of Robex Resources Inc. for the second quarter ended June 30, 2015 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

**CONSOLIDATED STATEMENTS OF LOSS**  
 (unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

|  | Second quarters<br>ended June 30, |                  | First halves<br>ended June 30, |                   |
|--|-----------------------------------|------------------|--------------------------------|-------------------|
|  | 2015                              | 2014             | 2015                           | 2014              |
|  | \$                                | \$               | \$                             | \$                |
| <b>INCOME</b>  |                                   |                  |                                |                   |
| Interest   | 56                                | 116              | 131                            | 198               |
| Others   | ---                               | 19,931           | ---                            | 24,036            |
|  | <b>56</b>                         | <b>20,047</b>    | <b>131</b>                     | <b>24,234</b>     |
| <b>EXPENSES</b>  |                                   |                  |                                |                   |
| Administration expenses - note 8                                       | 305,610                           | 671,125          | 477,887                        | 1,257,525         |
| Operating expenses - note 8  | (65,300)                          | ---              | (55,398)                       | ---               |
| Stock-based compensation expense                                       | 19,536                            | 31,665           | 19,536                         | 31,665            |
| Professional expenses  | 259,027                           | 492,817          | 595,549                        | 693,779           |
| Financial fees - note 7  | 231,035                           | 667,909          | 426,152                        | 1,355,767         |
| Foreign exchange losses (gains)  | 47,176                            | (536,109)        | (426,563)                      | (227,437)         |
| Change in fair value of financial liabilities - note 26                | (599,275)                         | 1,385,699        | (2,250,040)                    | 7,078,653         |
| Depreciation of property, plant and equipment<br>and intangible assets | 174,944                           | 232,400          | 346,255                        | 456,794           |
|  | <b>372,753</b>                    | <b>2,945,506</b> | <b>(866,622)</b>               | <b>10,646,746</b> |
| <b>NET LOSS (EARNING)</b>  | <b>372,697</b>                    | <b>2,925,459</b> | <b>(866,753)</b>               | <b>10,622,512</b> |
| <b>NET LOSS (EARNING) ATTRIBUTABLE TO:</b>                             |                                   |                  |                                |                   |
| Common shareholders  | 371,138                           | 2,854,920        | (923,178)                      | 10,472,339        |
| Non-controlling interests  | 1,559                             | 70,539           | 56,425                         | 150,173           |
|  | <b>372,697</b>                    | <b>2,925,459</b> | <b>(866,753)</b>               | <b>10,622,512</b> |
| <b>NET LOSS (EARNING) PER SHARE,<br/>BASIC AND DILUTED - note 23</b>   | <b>(0.001)</b>                    | <b>0.010</b>     | <b>(0.002)</b>                 | <b>0.037</b>      |

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

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

(all amounts are in Canadian dollars unless otherwise indicated)

|  | Second quarters<br>ended June 30, |             | First halves<br>ended June 30, |              |
|--|-----------------------------------|-------------|--------------------------------|--------------|
|  | 2015                              | 2014        | 2015                           | 2014         |
|  | \$                                | \$          | \$                             | \$           |
| <b>NET EARNING (LOSS)</b>  | <b>(372,697)</b>                  | (2,925,459) | <b>866,753</b>                 | (10,622,512) |
| Other comprehensive income (loss) - Items that may<br>be reclassified subsequently to profit or loss |                                   |             |                                |              |
| Exchange difference  | <b>983,171</b>                    | (1,605,307) | <b>(941,683)</b>               | (99,093)     |
| <b>COMPREHENSIVE LOSS</b>  | <b>610,474</b>                    | (4,530,766) | <b>(74,930)</b>                | (10,721,605) |
| <b>COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>   |                                   |             |                                |              |
| Common shareholders  | <b>612,033</b>                    | (4,460,227) | <b>(18,505)</b>                | (10,571,432) |
| Non-controlling interests  | <b>(1,559)</b>                    | (70,539)    | <b>(56,425)</b>                | (150,173)    |
|  | <b>610,474</b>                    | (4,530,766) | <b>(74,930)</b>                | (10,721,605) |

## ROBEX RESOURCES INC.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)**

Six month periods ended June 30, 2015

(all amounts are in Canadian dollars unless otherwise indicated)

|   | Share capital     | Reserve -<br>Stock options | Deficit             | Accumulated<br>other compren-<br>hensive loss<br>(note 21) | Total             | Non-<br>controlling<br>interests | Total<br>equity   |
|---|-------------------|----------------------------|---------------------|--|-------------------|----------------------------------|-------------------|
| Balance as at December 31, 2014                               | 47,944,090        | 2,392,111                  | (33,109,989)        | 513,848  | 17,740,060        | (392,801)                        | 17,347,259        |
| Net earning (loss)  | ---               | ---                        | 890,643             | ---  | 890,643           | (56,425)                         | 834,218           |
| Exchange difference   | ---               | ---                        | ---                 | (941,683)  | (941,683)         | ---                              | (941,683)         |
| Comprehensive income (loss) for the period                    | ---               | ---                        | 890,643             | (941,683)  | (51,040)          | (56,425)                         | (107,465)         |
| Share issue - note 20   | 18,854,082        | ---                        | ---                 | ---  | 18,854,082        | ---                              | 18,854,082        |
| Share issue expenses  | (64,000)          | ---                        | ---                 | ---  | (64,000)          | ---                              | (64,000)          |
| Stock options charged to expense during<br>the year - note 20 | ---               | 19,536                     | ---                 | ---  | 19,536            | ---                              | 19,536            |
| <b>Balance as at June 30, 2015</b>                            | <b>66,734,172</b> | <b>2,411,647</b>           | <b>(32,219,346)</b> | <b>(427,835)</b>   | <b>36,498,638</b> | <b>(449,226)</b>                 | <b>36,049,412</b> |

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

## ROBEX RESOURCES INC.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)**

Six month periods ended June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

|   | Share capital     | Reserve -<br>Stock options | Deficit             | Accumulated<br>other compren-<br>hensive loss<br>(note 21) | Total             | Non-<br>controlling<br>interests | Total<br>equity   |
|---|-------------------|----------------------------|---------------------|--|-------------------|----------------------------------|-------------------|
| Balance as at December 31, 2013                               | 45,253,460        | 2,381,571                  | (22,560,505)        | 2,232,980  | 27,307,506        | (23,584)                         | 27,283,922        |
| Net loss  | ---               | ---                        | (10,472,341)        | ---  | (10,472,341)      | (150,173)                        | (10,622,514)      |
| Exchange difference   | ---               | ---                        | 593                 | (99,093)   | (98,500)          | 66                               | (98,434)          |
| Comprehensive income (loss) for the period                    | ---               | ---                        | (10,471,748)        | (99,093)   | (10,570,841)      | (150,107)                        | (10,720,948)      |
| Capital contribution  | 20,052            | ---                        | ---                 | ---  | 20,052            | 2,228                            | 22,280            |
| Share issue - note 20   | ---               | ---                        | ---                 | ---  | ---               | ---                              | ---               |
| Stock options exercised during the year - note 20             | 54,875            | (21,125)                   | ---                 | ---  | 33,750            | ---                              | 33,750            |
| Stock options charged to expense during<br>the year - note 20 | ---               | 31,665                     | ---                 | ---  | 31,665            | ---                              | 31,665            |
| <b>Balance as at June 30, 2014</b>                            | <b>45,328,387</b> | <b>2,392,111</b>           | <b>(33,032,253)</b> | <b>2,133,887</b>   | <b>16,822,132</b> | <b>(171,463)</b>                 | <b>16,650,669</b> |

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

**CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**

(all amounts are in Canadian dollars unless otherwise indicated)

|  | <b>June 30,</b><br><b>2015</b><br><b>(unaudited)</b> | December 31,<br>2014 |
|--|--|----------------------|
|  | \$   | \$                   |
| <b>ASSETS</b>                                  |  |                      |
| <b>CURRENT</b>                                 |  |                      |
| Cash and cash equivalents                      | 744,975  | 787,754              |
| Inventories - note 9                           | 2,613,105  | 2,502,596            |
| Accounts receivable - note 10                  | 4,136,329  | 354,201              |
| Prepaid expenses                               | 6,722  | 50,759               |
|  | <b>7,501,131</b>                                     | 3,695,310            |
| <b>DEPOSITS PAID</b>                           | <b>13,931</b>  | 14,011               |
| <b>MINING PROPERTIES - notes 11 and 12</b>     | <b>16,536,403</b>                                    | 16,684,331           |
| <b>PROPERTY, PLANT AND EQUIPMENT - note 13</b> | <b>48,967,810</b>                                    | 44,093,098           |
| <b>INTANGIBLE ASSETS - note 14</b>             | <b>177,896</b>                                       | 209,520              |
|  | <b>73,197,171</b>                                    | 64,696,270           |
| <b>LIABILITIES</b>                             |  |                      |
| <b>CURRENT</b>                                 |  |                      |
| Bank overdraft                                 | ---  | 240,804              |
| Accounts payable - note 15                     | 10,759,717   | 10,967,392           |
| Current portion of long-term debt - note 16    | 6,749,516  | 13,592,511           |
| Lines of credit - note 16                      | 5,764,042  | 6,497,663            |
|  | <b>23,273,275</b>                                    | 31,298,370           |
| <b>CONVERTIBLE DEBENTURES - note 19</b>        |  |                      |
| Conversion rights at fair value                | 1,955,808  | 3,028,967            |
| Debt component at amortized cost               | 9,473,950  | 8,726,262            |
| <b>WARRANTS - note 17</b>                      | <b>1,605,309</b>                                     | 2,857,793            |
| <b>LONG-TERM DEBT - note 16</b>                | <b>530,251</b>                                       | 1,070,001            |
| <b>ENVIRONMENTAL LIABILITIES - note 18</b>     | <b>309,166</b>                                       | 367,618              |
|  | <b>37,147,759</b>                                    | 47,349,011           |
| <b>EQUITY</b>                                  |  |                      |
| Share capital - note 20                        | 66,734,172   | 47,944,090           |
| Reserve - stock options - note 20              | 2,411,647  | 2,392,111            |
| Deficit  | (32,219,346)   | (33,109,989)         |
| Accumulated other comprehensive loss - note 21 | (427,835)  | 513,848              |
|  | <b>36,498,638</b>                                    | 17,740,060           |
| Non-controlling interests                      | (449,226)  | (392,801)            |
|  | <b>36,049,412</b>                                    | 17,347,259           |
|  | <b>73,197,171</b>                                    | 64,696,270           |

Going concern (note 1)

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

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

|   | Second quarters<br>ended June 30, |             | First halves<br>ended June 30, |              |
|---|-----------------------------------|-------------|--------------------------------|--------------|
|   | 2015                              | 2014        | 2015                           | 2014         |
|   | \$                                | \$          | \$                             | \$           |
| (all amounts are in Canadian dollars unless otherwise indicated)        |                                   |             |                                |              |
| <b>CASH FLOWS FROM THE FOLLOWING ACTIVITIES :</b>                       |                                   |             |                                |              |
| <b>Operating</b>  |                                   |             |                                |              |
| Net earning (loss)  | (372,697)                         | (2,925,459) | 866,753                        | (10,622,512) |
| Adjustments for :   |                                   |             |                                |              |
| Changes in fair value of financial liabilities                          | (599,275)                         | 1,385,699   | (2,250,040)                    | 7,078,653    |
| Exchange difference   | 22,191                            | (309,504)   | (284,567)                      | (20,948)     |
| Financial expenses  | 230,979                           | 230,714     | 426,021                        | 918,490      |
| Depreciation of property, plant and equipment<br>and intangible assets  | 174,944                           | 232,400     | 346,255                        | 456,794      |
| Environmental liabilities   | (65,300)                          | ---         | (55,398)                       | ---          |
| Stock-based compensation expense  | 19,536                            | 31,665      | 19,536                         | 31,665       |
| Net changes in non-cash working capital items - note 22                 | (3,561,057)                       | 3,098,842   | (5,886,083)                    | 2,851,661    |
| Interest paid   | (38,260)                          | 135,904     | (68,741)                       | (285,204)    |
| Interest received   | 56                                | 115         | 131                            | 197          |
|   | <b>(4,188,883)</b>                | 1,880,376   | <b>(6,886,133)</b>             | 408,796      |
| <b>Investing</b>  |                                   |             |                                |              |
| Decrease in deposits paid   | 80                                | ---         | 80                             | ---          |
| Acquisition of mining properties  | (114,366)                         | (236,888)   | (275,325)                      | (507,203)    |
| Acquisition of property, plant and equipment                            | (1,087,490)                       | (4,502,641) | (3,220,949)                    | (10,665,045) |
| Acquisition of intangible assets  | ---                               | (2,724,701) | ---                            | (2,745,013)  |
|   | <b>(1,201,776)</b>                | (7,464,230) | <b>(3,496,194)</b>             | (13,917,261) |
| <b>Financing</b>  |                                   |             |                                |              |
| Long-term debt contracted   | 2,326,725                         | 5,968,096   | 2,326,725                      | 10,587,575   |
| Repayment of long-term debt   | (269,317)                         | (583,457)   | (1,688,796)                    | (1,394,145)  |
| Issue and subscription of common shares                                 | ---                               | 33,750      | 10,000,000                     | 33,750       |
| Share issue expenses  | ---                               | ---         | (34,000)                       | ---          |
|   | <b>2,057,408</b>                  | 5,418,389   | <b>10,603,929</b>              | 9,227,180    |
| <b>Effect of exchange rate changes on cash<br/>and cash equivalents</b> |                                   |             |                                |              |
|   | <b>(248,097)</b>                  | (2,554)     | <b>(23,577)</b>                | 39,912       |
| <b>Decrease (increase) in cash and cash equivalents</b>                 |                                   |             |                                |              |
|   | <b>(3,581,348)</b>                | (168,019)   | <b>198,025</b>                 | (4,241,373)  |
| <b>Cash and cash equivalents - Beginning of period</b>                  |                                   |             |                                |              |
|   | <b>4,326,323</b>                  | 1,450,019   | <b>546,950</b>                 | 5,523,373    |
| <b>Cash and cash equivalents - End of period</b>                        |                                   |             |                                |              |
|   | <b>744,975</b>                    | 1,282,000   | <b>744,975</b>                 | 1,282,000    |
| Cash and cash equivalents are composed of:                              |                                   |             |                                |              |
| Cash and cash equivalents   | <b>744,975</b>                    | 1,282,000   | <b>744,975</b>                 | 1,282,000    |

Additionnal information (note 22)

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

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**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**(all amounts are in Canadian dollars unless otherwise indicated)

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**1 - NATURE OF OPERATIONS AND GOING CONCERN****Nature of activities**

Robex Resources Inc. (the "Company") is a junior Canadian exploration and mining development company, which currently holds five exploration licenses, all located in Mali, in West Africa. These permits all demonstrate a favourable geology with a potential to discover of gold deposits. In addition to their exploration activities, the Company is notably developing the Nampala deposit located on the Mininko permit, for which a feasibility study was conducted and demonstrates profitability for the operation of a mine. The Company is currently working on developing its "doré" production facilities, to achieve the level of commercial production planned. The head office address is 437, Grande-Allée Est, Québec (Quebec) G1R 2J5, Canada.

**Going concern**

The accompanying condensed interim consolidated financial statements have been prepared using generally accepted accounting principles (GAAP) 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 long as the Company will not be in operation, the continuation of its activities depends on its ability to raise additional financing by through the issue of debt or equity instruments. 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 obtain new 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.



**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**1 - NATURE OF OPERATIONS AND GOING CONCERN - (Continued)****Going concern - (continued)**

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.

For several years Mali has been affected by the armed conflict in the northern area. Although geopolitical conditions have improved, especially since the presidential elections that were held on August 11, 2013, and despite the fact that the licenses held by the Company are located in the southern and western part of Mali, there is always a risk that the Company cannot cover its assets or assume liabilities, or continue its activities, including the operation of its Nampala mine in the event that the geopolitical context deteriorates.

**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 condensed interim consolidated financial statements, including IAS 34, "*Interim Financial Reporting*", and using the same accounting policies and methods of computation as our most recent annual consolidated financial statements. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, 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 28, 2015.

**3 - SIGNIFICANT ACCOUNTING POLICIES****Basis of consolidation**

The condensed interim consolidated financial statements include the financial statements of the Company, its subsidiaries and those of African Peak Trading House Limited, in which Robex Resources Inc. has made a significant investment, in which all after-tax earnings are redistributed to the Company in the form of preferred dividends. The Company's subsidiaries are Robex N'Gary SA in which the Company holds an 85% interest, Robex Resource Mali SARL, which is wholly-owned and Nampala SA, in which the Company holds a 90% interest. These three subsidiaries are all located in Mali. All intercompany transactions and balances are eliminated.

Non-controlling interests in the net assets of consolidated subsidiaries are presented within equity but separate from the Company's equity. Non-controlling interests consist of the non-controlling interests at the date of the original business combination plus the non-controlling interests' share of recognized changes in equity since the date of acquisition.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)****Functional and presentation currency**

The Canadian dollar is the presentation currency. The Company's functional currency is the CFA franc. These condensed interim consolidated financial statements are translated into the presentation currency as follows: assets and liabilities are translated into Canadian dollars at the exchange rate in effect on the date of the balance sheet. The foreign currency translation adjustment arising from such translation is included in accumulated other comprehensive loss in the shareholders' equity. Income and expenses are translated at the exchange rate in effect on the date of the transaction.

**Stock option plan**

The Company grants stock options to directors, members of management, employees and service providers. The board offers such options for periods of up to five years, with no vesting period, except for stock options granted to the financial advisor for whom the options are exercisable for a period of 12 months at 25% per quarter, at prices determined by the Board of Directors.

The fair value of options is measured at the grant date using the Black and Scholes model and is recognized over the period during which employees acquire options. The fair value is recognized as an expense with offset to "Reserve - Stock options." The amount recognized as an expense is adjusted to reflect the number of options that are expected to be acquired.

**Income recognition**

Revenues include the sale of gold and by-products (silver). Revenue 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. Since the mine is still in the pre-production phase, proceeds from sales are recognized as a reduction of capitalized development costs, from the asset, as a fixed asset instead of being recognized as revenue.

**Loss per share**

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

Diluted loss per share is calculated using the weighted average number of common shares outstanding during the year, plus the effects of dilutive potential common shares outstanding during the year. 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 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 year.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**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.

Depreciation is calculated to amortize the cost of the property, plant and equipment less their residual values over their estimated useful lives, using the units of production method, the straight-line method or the declining balance method.

| <b>Category</b>                        | <b>Method</b>       |              |
|--|---------------------|--------------|
| Mining development costs               | Units of production |              |
| Equipment related to mining operations | Units of production |              |
| Buildings and office development       | Straight-line       | 3 to 8 years |
| Tools, equipment and vehicles          | Declining balance   | 20% to 30%   |
| Exploration equipment                  | Declining balance   | 20% to 45%   |

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. For those which are not related to exploration and development activities, depreciation expense is recognized directly in the consolidated statement of income (loss).

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.

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).

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**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**  
**Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

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#### **4 - CHANGES IN ACCOUNTING POLICIES**

The company has not adopted any new accounting standards as of January 1, 2015.

#### **5 - FUTURE ACCOUNTING CHANGES**

The Company has not yet adopted certain standards and amendments which have been issued but have an effective date of later than June 30, 2015.

##### (IAS 1), *Presentation of Financial Statements*

In December 2014, the IASB issued amendments to IAS 1, "*Presentation of Financial Statements*". These amendments clarify guidance on how to exercise professional judgment in determining the extent and structure of disclosures in financial statements. Since IAS 1 is a presentation standard, the amendments thereto, which are effective for annual periods beginning on or after January 1, 2016, will have no impact on the Company's profit or loss or financial position.

##### (IAS 15), *Revenue from contracts with customers*

In May 2014, , the IASB issued IFRS 15 "Revenue from Contracts with Customers". 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 timing of 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. This new standard is effective for annual periods beginning on or after January 1, 2017. Early adoption is permitted. The Company has not yet assessed the impact that the new standard will have on its condensed interim consolidated financial statements or whether or not to early adopt the new standard.

##### (IFRS 9), *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9, "Financial Instruments", and will replace IAS 39, "Financial Instruments: Recognition and Measurement". 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. The new standard is effective for annual periods beginning on or after January 1, 2018, and must be applied retrospectively. The Company has not yet assessed the impact that the new standard will have on its condensed interim consolidated financial statements.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**6 - SEGMENTED INFORMATION**

A) Operating segments - The Company's operations are primarily directed towards the acquisition, exploration and production of gold in the West Africa area. As a result, the Company is organized as a single sector.

B) Geographic segments - The Company's assets by geographic areas are as follows :

|                                      | June 30, 2015     |               |                   |
|--------------------------------------|-------------------|---------------|-------------------|
|                                      | West Africa       | Canada        | Total             |
|                                      | \$                |               |                   |
| <b>Inventories</b>                   | <b>2,613,105</b>  | ---           | <b>2,613,105</b>  |
| <b>Mining properties</b>             | <b>16,536,403</b> | ---           | <b>16,536,403</b> |
| <b>Property, plant and equipment</b> | <b>48,907,193</b> | <b>60,617</b> | <b>48,967,810</b> |
| <b>Intangible assets</b>             | <b>177,896</b>    | ---           | <b>177,896</b>    |
|                                      | <b>68,234,597</b> | <b>60,617</b> | <b>68,295,214</b> |
|                                      | December 31, 2014 |               |                   |
|                                      | \$                |               |                   |
|                                      | West Africa       | Canada        | Total             |
| Inventories                          | 2,502,596         | ---           | 2,502,596         |
| Mining properties                    | 16,684,331        | ---           | 16,684,331        |
| Property, plant and equipment        | 44,021,717        | 71,381        | 44,093,098        |
| Intangible assets                    | 209,520           | ---           | 209,520           |
|                                      | 63,418,164        | 71,381        | 63,489,545        |

**7 - FINANCIAL EXPENSES**

|   | Second quarters<br>ended June 30, |         | First halves<br>ended June 30, |           |
|---|-----------------------------------|---------|--------------------------------|-----------|
|   | 2015                              | 2014    | 2015                           | 2014      |
|   | \$                                | \$      | \$                             | \$        |
| Real interest debt component of the convertible debenture       | <b>297,682</b>                    | 297,682 | <b>592,093</b>                 | 592,093   |
| Imputed interest debt component<br>of the convertible debenture | <b>383,549</b>                    | 324,964 | <b>747,688</b>                 | 633,484   |
| Interest on lines of credit                                     | <b>181,665</b>                    | 36,766  | <b>337,013</b>                 | 47,594    |
| Interest on debts   | <b>154,746</b>                    | 185,636 | <b>296,208</b>                 | 388,070   |
| Bank charges  | <b>6,571</b>                      | 8,497   | <b>12,916</b>                  | 82,596    |
|   | <b>1,024,213</b>                  | 853,545 | <b>1,985,919</b>               | 1,743,837 |
| Capitalized financial expenses - note 13                        | <b>793,178</b>                    | 185,636 | <b>1,559,767</b>               | 388,070   |
|   | <b>231,035</b>                    | 667,909 | <b>426,152</b>                 | 1,355,767 |

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**8 - ADMINISTRATION EXPENSES AND OPERATING EXPENSES**

|  | Second quarters<br>ended June 30, |            | First halves<br>ended June 30, |            |
|--|-----------------------------------|------------|--------------------------------|------------|
|  | 2015<br>\$                        | 2014<br>\$ | 2015<br>\$                     | 2014<br>\$ |
| <b>ADMINISTRATION EXPENSES</b>                   |                                   |            |                                |            |
| Salaries and fringe benefits                     | 110,487                           | 339,289    | 195,193                        | 695,108    |
| Travel fees                                      | 72,427                            | 70,305     | 103,000                        | 125,852    |
| Insurance  | 673                               | 6,937      | 13,374                         | 14,969     |
| Rent   | 16,865                            | 16,865     | 33,730                         | 33,730     |
| Financial reporting and stock exchange fees      | 62,324                            | 50,449     | 74,346                         | 70,356     |
| Marketing  | 300                               | 22,735     | 950                            | 26,918     |
| Telecommunications                               | 3,747                             | 46,415     | 6,983                          | 93,659     |
| Office expenses                                  | 4,543                             | 22,876     | 8,853                          | 37,104     |
| General expenses                                 | 34,244                            | 95,254     | 41,458                         | 159,829    |
|  | <b>305,610</b>                    | 671,125    | <b>477,887</b>                 | 1,257,525  |
| <b>OPERATING EXPENSES</b>                        |                                   |            |                                |            |
| Provision for rehabilitation of the site Nampala | (65,300)                          | ---        | (55,398)                       | ---        |

**9 - INVENTORIES**

|                                     | June 30,<br>2015<br>(unaudited)<br>\$ | December 31,<br>2014 |
|-------------------------------------|---------------------------------------|----------------------|
| Ore stockpiles                      | 753,804                               | 513,879              |
| Work in progress inventory ("doré") | ---                                   | 329,192              |
| Parts and supplies                  | 1,859,301                             | 1,659,525            |
|                                     | <b>2,613,105</b>                      | 2,502,596            |

**10 - ACCOUNTS RECEIVABLE**

|                            | June 30,<br>2015<br>(unaudited)<br>\$ | December 31,<br>2014 |
|----------------------------|---------------------------------------|----------------------|
| Advances to suppliers      | 4,087,148                             | 297,209              |
| Commodity taxes receivable | 23,564                                | 30,195               |
| Other receivables          | 25,617                                | 26,797               |
|                            | <b>4,136,329</b>                      | 354,201              |

## ROBEX RESOURCES INC.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Six month periods ended June 30, 2015

(all amounts are in Canadian dollars unless otherwise indicated)

## 11 - MINING PROPERTIES

|                                    | Diangounté (A)   | Kolomba (B)    | Mininko (C)      | Sanoula (D)    | N'Golopène (E) | Properties pending renewal (F) | Total             |
|------------------------------------|------------------|----------------|------------------|----------------|----------------|--------------------------------|-------------------|
| Undivided interest                 | 85%              | 100%           | 100%             | 100%           | 100%           |                                |                   |
| <b>Mining rights and titles</b>    |                  |                |                  |                |                |                                |                   |
| Balance as at December 31, 2014    | 1,087,885        | 60,619         | 638,205          | 183,436        | ---            | ---                            | <b>1,970,145</b>  |
| Acquisition costs                  | ---              | ---            | ---              | ---            | ---            | ---                            | ---               |
| Provisions or sub-options          | ---              | ---            | ---              | ---            | ---            | ---                            | ---               |
| Impact of exchange rate changes    | (9,659)          | (538)          | (5,667)          | (1,628)        | ---            | ---                            | <b>(17,492)</b>   |
| <b>Balance as at June 30, 2015</b> | <b>1,078,226</b> | <b>60,081</b>  | <b>632,538</b>   | <b>181,808</b> | <b>---</b>     | <b>---</b>                     | <b>1,952,653</b>  |
| <b>Exploration costs</b>           |                  |                |                  |                |                |                                |                   |
| Balance as at December 31, 2014    | 4,091,224        | 724,247        | 8,528,445        | 758,680        | 611,590        | ---                            | <b>14,714,186</b> |
| Expenses incurred                  | 64,096           | 63,154         | 63,027           | 63,125         | 21,923         | ---                            | <b>275,325</b>    |
| Provisions or write-offs           | ---              | ---            | ---              | ---            | ---            | ---                            | ---               |
| Depreciation and amortization      | 24,082           | 24,082         | 24,082           | 24,082         | 8,380          | ---                            | <b>104,708</b>    |
| Impact of exchange rate changes    | (139,155)        | (109,338)      | (146,126)        | (110,683)      | (5,167)        | ---                            | <b>(510,469)</b>  |
| <b>Balance as at June 30, 2015</b> | <b>4,040,247</b> | <b>702,145</b> | <b>8,469,428</b> | <b>735,204</b> | <b>636,726</b> | <b>---</b>                     | <b>14,583,750</b> |
| <b>Total as at June 30, 2015</b>   | <b>5,118,473</b> | <b>762,226</b> | <b>9,101,966</b> | <b>917,012</b> | <b>636,726</b> | <b>---</b>                     | <b>16,536,403</b> |

## ROBEX RESOURCES INC.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Year ended December 31, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

## 11 - MINING PROPERTIES - (Continued)

|  | Diangounté (A)   | Kolomba (B)    | Mininko (C)      | Sanoula (D)    | N'Golopène (E) | Properties pending renewal (F) | Total              |
|--|------------------|----------------|------------------|----------------|----------------|--------------------------------|--------------------|
| Undivided interest                     | 85%              | 100%           | 100%             | 100%           | 49%            |                                |                    |
| <b>Mining rights and titles</b>        |                  |                |                  |                |                |                                |                    |
| Balance as at December 31, 2013        | 1,135,669        | 63,282         | 666,237          | 191,493        | ---            | 321,376                        | <b>2,378,057</b>   |
| Acquisition costs                      | ---              | ---            | ---              | ---            | ---            | ---                            | ---                |
| Provisions or sub-options              | ---              | ---            | ---              | ---            | ---            | (307,854)                      | <b>(307,854)</b>   |
| Impact of exchange rate changes        | (47,784)         | (2,663)        | (28,032)         | (8,057)        | ---            | (13,522)                       | <b>(100,058)</b>   |
| <b>Balance as at December 31, 2014</b> | <b>1,087,885</b> | <b>60,619</b>  | <b>638,205</b>   | <b>183,436</b> | <b>---</b>     | <b>---</b>                     | <b>1,970,145</b>   |
| <b>Exploration costs</b>               |                  |                |                  |                |                |                                |                    |
| Balance as at December 31, 2013        | 4,161,815        | 646,869        | 8,828,087        | 681,722        | 638,455        | 3,485,550                      | <b>18,442,498</b>  |
| Expenses incurred                      | 69,103           | 69,289         | 48,259           | 70,350         | ---            | 462,923                        | <b>719,924</b>     |
| Provisions or write-offs               | ---              | ---            | ---              | ---            | ---            | (3,911,293)                    | <b>(3,911,293)</b> |
| Depreciation and amortization          | 39,628           | 39,628         | 26,638           | 39,627         | ---            | 142,876                        | <b>288,397</b>     |
| Impact of exchange rate changes        | (179,322)        | (31,539)       | (374,539)        | (33,019)       | (26,865)       | (180,056)                      | <b>(825,340)</b>   |
| <b>Balance as at December 31, 2014</b> | <b>4,091,224</b> | <b>724,247</b> | <b>8,528,445</b> | <b>758,680</b> | <b>611,590</b> | <b>---</b>                     | <b>14,714,186</b>  |
| <b>Total as at December 31, 2014</b>   | <b>5,179,109</b> | <b>784,866</b> | <b>9,166,650</b> | <b>942,116</b> | <b>611,590</b> | <b>---</b>                     | <b>16,684,331</b>  |



**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**11 - Mining properties - (continued)**

- (A) The mining title of Diangounté is 100% owned by Robex N'Gary SA, a Malian rights Company, of which Robex Resources Inc. holds 85% of the issued shares and N'Gary Transport, an unrelated Company, owns 15%. The license was awarded on May 18, 2009 and expires on May 17, 2016. The license has received the first renewal on October 9, 2012 and the second on May 5, 2015.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the validity of the permit.

- (B) The Company holds the license, through its wholly-owned subsidiary, Robex Resources Mali SARL. This license was granted on January 17, 2013. The validity of this permit is 3 years renewable twice for 2 years, for a total of 7 years.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the validity of the permit.

- (C) Since April 30, 2007, the Company holds 100% of the mining titles of these properties and the seller benefited from a 2% NSR (Net Smelter Return) royalty on which the Company has a right of first refusal. During the year ended December 31, 2012, the Company completed the acquisition of half of the royalties for a cash consideration of \$250,000. Now, the seller will receive a 1% NSR on which the Company still has a right of first refusal.

On November 8, 2011, the Company released a feasibility study confirming a possible profitable exploitation on the Mininko site.

On March 1, 2012, a wholly-owned subsidiary, Robex Resources Mali SARL, was granted a license for research and exploration. The duration of this permit is three years and is renewable twice. The duration of each renewal period is two years, for a total of 7 years. This permit expires on February 28, 2019.

On March 21, 2012, the subsidiary Nampala S.A., 90% owned by the Company, received its gold mining and mineral substances permit regarding a portion of the Mininko property. This exploitation permit is valid for 30 years.

In addition, when assigning the operating permit, the Malian government has been awarded 10% of the Nampala SA shares, for free. The Malian government could decide to acquire an additional 10% for a fee, which has not been done at the date of these financial statements.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the validity of the permit.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**11 - Mining properties - (continued)**

- (D) Since May 30, 2008, the Company holds 100% of mining titles through the subsidiary Robex Resources Mali SARL, a wholly-owned subsidiary. The seller will receive NSR royalties of 2% on which Robex Resources Inc. will have a right of first refusal.

The research and mining permit was granted on February 2, 2012. The permit is valid for a initial period of three years and is renewable twice. Each period is equal to two years, for a total of seven years. This permit expires in February 2019.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the validity of the permit.

- (E) In July 2011, the Company entered into a partnership agreement with Resolute Mining Limited permitting the latter to acquire up to a 70% interest in the N'Golopene permit. Under the terms of this agreement, Resolute Mining Limited could acquire an initial holding of 51% in the joint venture once certain conditions are met. In February 2015, the agreement that had been made with the company Resolute Mining Limited was canceled due to the desire of the company Resolute Mining Limited. Robex has recovered all of the undivided rights of the mining property. Robex now owns 100% of this property.

An NSR of 2% will be retained by the seller, which can be repurchased by the Company.

The research and mining permit was assigned in May 2010 and is valid for 3 years, renewable twice, for a total of 7 years. The permit was renewed in August 2013 and the next renewal is scheduled for August 2015.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the validity of the permit.

- (F) The Company has invested in exploration, in the past, on 4 other mining properties in Mali which, as at June 30, 2015, were not renewed by the Malian government. Although the Company is currently taking steps to obtain the renewal of these permits and since it cannot assume the success of these renewals, the Company has recognized an impairment loss on these permits.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**12 - ACQUISITION COST OF MINING PROPERTIES AND DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES**

| <b>ACQUISITION COST OF MINING PROPERTIES</b>   | <b>June 30,<br/>2015</b> | December 31,<br>2014 |
|--|--------------------------|----------------------|
|  | <b>\$</b>                | <b>\$</b>            |
|  | <b>(6 months)</b>        | (12 months)          |
| <b>Balance at beginning</b>  | <b>1,970,145</b>         | 2,378,057            |
| Provision for impairment   | ---                      | (307,854)            |
| Impact of exchange rate changes  | <b>(17,492)</b>          | (100,058)            |
| <b>Balance at end</b>  | <b>1,952,653</b>         | 1,970,145            |
| <b>DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES</b>                                   |                          |                      |
| <b>Balance at beginning</b>  | <b>14,714,186</b>        | 18,442,498           |
| <u>Add:</u>  |                          |                      |
| Management fees  | <b>42,724</b>            | 54,436               |
| Exploration expenses   | <b>204,432</b>           | 442,151              |
| Equipment  | <b>11,955</b>            | 69,912               |
| Development fees   | ---                      | 62,215               |
| Travel expenses  | <b>4,938</b>             | 17,204               |
| Supplies and other   | <b>11,273</b>            | 74,006               |
|  | <b>275,325</b>           | 719,924              |
| Depreciation of property, plant and equipment<br>and amortization of intangible assets | <b>104,708</b>           | 288,397              |
| Provision for impairment   | ---                      | (3,911,293)          |
| Impact of exchange rate changes  | <b>(510,469)</b>         | (825,340)            |
|  | <b>(130,436)</b>         | (3,728,312)          |
| <b>Balance at end</b>  | <b>14,583,750</b>        | 14,714,186           |
| <b>TOTAL BALANCE</b>   | <b>16,536,403</b>        | 16,684,331           |

## ROBEX RESOURCES INC.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**13 - PROPERTY, PLANT AND EQUIPMENT**

|  | Deferred development costs | Buildings and office development | Equipment related to mining operations | Tools, equipment and vehicles | Exploration equipment | <b>Total</b>       |
|--|----------------------------|----------------------------------|--|-------------------------------|-----------------------|--------------------|
| <b>Cost</b>                            |                            |                                  |  |                               |                       |                    |
| <b>Balance as at December 31, 2013</b> | ---                        | <b>3,050,813</b>                 | <b>20,818,561</b>                      | <b>949,714</b>                | <b>1,951,660</b>      | <b>26,770,748</b>  |
| Additions                              |                            |                                  |  |                               |                       |                    |
| Assets acquired                        | 6,659,377                  | 520,502                          | 13,214,704                             | 1,026,817                     | ---                   | <b>21,421,400</b>  |
| Impact of exchange rate changes        | (134,026)                  | (143,374)                        | (1,529,896)                            | (74,614)                      | (82,295)              | <b>(1,964,205)</b> |
| <b>Balance as at December 31, 2014</b> | <b>6,525,351</b>           | <b>3,427,941</b>                 | <b>32,503,369</b>                      | <b>1,901,917</b>              | <b>1,869,365</b>      | <b>46,227,943</b>  |
| Additions                              |                            |                                  |  |                               |                       |                    |
| Assets acquired                        | 501,109                    | 5,833                            | 5,149,744                              | 148                           | ---                   | <b>5,656,834</b>   |
| Impact of exchange rate changes        | (40,073)                   | (30,437)                         | (248,222)                              | (13,914)                      | (19,567)              | <b>(352,213)</b>   |
| <b>Balance as at June 30, 2015</b>     | <b>6,986,387</b>           | <b>3,403,337</b>                 | <b>37,404,891</b>                      | <b>1,888,151</b>              | <b>1,849,798</b>      | <b>51,532,564</b>  |

For the six month period ended June 30, 2015, an amount of \$22,724 relating to the amortization of certain assets were recorded into the cost of the equipment related to mining operations (\$58,888 for the year ended December 31, 2014).

## ROBEX RESOURCES INC.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**13 - PROPERTY, PLANT AND EQUIPMENT - (Continued)**

|  | Deferred development costs | Buildings and office development | Equipment related to mining operations | Tools, equipment and vehicles | Exploration equipment | <b>Total</b>      |
|--|----------------------------|----------------------------------|--|-------------------------------|-----------------------|-------------------|
| <b>Accumulated depreciation</b>        |                            |                                  |  |                               |                       |                   |
| <b>Balance as at December 31, 2013</b> | ---                        | <b>43,361</b>                    | ---                                    | <b>157,536</b>                | <b>962,631</b>        | <b>1,163,528</b>  |
| Depreciation for the year              | ---                        | 523,795                          | ---                                    | 309,917                       | 227,105               | <b>1,060,817</b>  |
| Impact of exchange rate changes        | ---                        | (17,950)                         | ---                                    | (20,418)                      | (51,132)              | <b>(89,500)</b>   |
| <b>Balance as at December 31, 2014</b> | ---                        | <b>549,206</b>                   | ---                                    | <b>447,035</b>                | <b>1,138,604</b>      | <b>2,134,845</b>  |
| Depreciation for the period            | ---                        | 204,517                          | ---                                    | 156,453                       | 83,256                | <b>444,226</b>    |
| Impact of exchange rate changes        | ---                        | (2,734)                          | ---                                    | (2,329)                       | (9,254)               | <b>(14,317)</b>   |
| <b>Balance as at June 30, 2015</b>     | ---                        | <b>750,989</b>                   | ---                                    | <b>601,159</b>                | <b>1,212,606</b>      | <b>2,564,754</b>  |
| <b>Net amount:</b>                     |                            |                                  |  |                               |                       |                   |
| as at December 31, 2014                | 6,525,351                  | 2,878,735                        | 32,503,369                             | 1,454,882                     | 730,761               | <b>44,093,098</b> |
| <b>as at June 30, 2015</b>             | <b>6,986,387</b>           | <b>2,652,348</b>                 | <b>37,404,891</b>                      | <b>1,286,992</b>              | <b>637,192</b>        | <b>48,967,810</b> |

Property, plant and equipment with a carrying amount of \$44,391,278 are not depreciated because they are either under construction or being installed as at June 30, 2015 (\$39,028,720 as at December 31, 2014).

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**14 - INTANGIBLE ASSETS****Software****COST****Balance at the beginning**Additions:

Assets acquired

Impact of exchange rate changes

**Balance at the end****ACCUMULATED DEPRECIATION****Balance at the beginning**

Amortization for the year

Impact of exchange rate changes

**Balance at the end****Net amount:**

|                                 | <b>June 30,<br/>2015</b> | December 31,<br>2014 |
|---------------------------------|--------------------------|----------------------|
|                                 | \$                       | \$                   |
|                                 | (6 months)               | (12 months)          |
| <b>Balance at the beginning</b> | <b>323,742</b>           | 296,906              |
| <u>Additions:</u>               |                          |                      |
| Assets acquired                 | ---                      | 41,647               |
| Impact of exchange rate changes | <b>(2,874)</b>           | (14,811)             |
| <b>Balance at the end</b>       | <b>320,868</b>           | 323,742              |
| <b>ACCUMULATED DEPRECIATION</b> |                          |                      |
| <b>Balance at the beginning</b> | <b>114,222</b>           | 43,754               |
| Amortization for the year       | <b>29,460</b>            | 75,320               |
| Impact of exchange rate changes | <b>(710)</b>             | (4,852)              |
| <b>Balance at the end</b>       | <b>142,972</b>           | 114,222              |
| <b>Net amount:</b>              | <b>177,896</b>           | 209,520              |

**15 - ACCOUNTS PAYABLE**

|                             | <b>June 30,<br/>2015</b> | December 31,<br>2014 |
|-----------------------------|--------------------------|----------------------|
|                             | (unaudited)              |                      |
|                             | \$                       | \$                   |
| Accrued interest            | <b>1,389,548</b>         | 642,925              |
| Payables to related parties | <b>1,157,802</b>         | 769,861              |
| Other payables              | <b>8,212,368</b>         | 9,554,606            |
|                             | <b>10,759,717</b>        | 10,967,392           |

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**16 - LONG-TERM DEBT**

Loan from a supplier, annual interest rate of 10 %, payable in monthly instalments of \$205,741 (97,001,777 CFA francs), principal and interest, until December, 2015.

Loan from a supplier, maximum amount of \$3,181,505 (1,500,000,000 CFA francs), annual interest of 10.1%, secured by a land mortgage on the operating license for gold and minerals in the region of Nampala. The Company may not pay dividends before the settlement of payments due to the supplier. This loan is repayable in 36 monthly instalments of \$88,375 (41,666,667 CFA francs) plus interest, until December, 2016, inclusive.

Loan from a shareholder of the Company, in the amount of \$8,500,000, annual interest of 8% (see note 20).

Loan from a shareholder of the Company, in the amount of \$2,000,000, annual interest of 10% (see note 28).

Current portion of long-term debt

**Authorized lines of credit**

Authorized line of credit from a bank in Mali, for a maximum amount of \$1,060,502 (500,000,000 CFA francs). Annual interest rate of 9%.

Authorized line of credit from a bank in Mali, for a maximum amount of \$5,302,508 (2,500,000,000 CFA francs). Annual interest rate of 8%.

| <b>June 30,<br/>2015<br/>(unaudited)</b> | December 31,<br>2014 |
|--|----------------------|
| \$                                       | \$                   |
| <b>2,075,796</b>                         | 2,598,425            |
| <b>3,181,505</b>                         | 3,210,005            |
| ---                                      | 8,854,082            |
| <b>2,022,466</b>                         | ---                  |
| <b>7,279,767</b>                         | 14,662,512           |
| <b>6,749,516</b>                         | 13,592,511           |
| <b>530,251</b>                           | 1,070,001            |

| <b>June 30,<br/>2015<br/>(unaudited)</b> | December 31,<br>2014 |
|--|----------------------|
| \$                                       | \$                   |
| <b>1,061,889</b>                         | 1,035,734            |
| <b>4,702,152</b>                         | 5,461,929            |
| <b>5,764,041</b>                         | 6,497,663            |

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**17 - WARRANTS**

The warrants that were granted varied as follows :

|                              | <b>First half ended<br/>June 30, 2015<br/>(6 months)</b> |  | <b>Year ended<br/>December 31, 2014<br/>(12 months)</b> |  |
|------------------------------|--|--|---|--|
|                              | <b>Number</b>  | <b>Weighted<br/>average<br/>exercise<br/>price</b> | <b>Number</b>   | <b>Weighted<br/>average<br/>exercise<br/>price</b> |
| Outstanding at the beginning | <b>80,000,000</b>  | <b>\$0.25</b>                                      | 81,388,888  | \$0.24   |
| Cancelled or expired         | ---  | ---  | (1,388,888)   | \$0.30   |
| Outstanding at the end       | <b>80,000,000</b>  | <b>\$0.25</b>                                      | 80,000,000  | \$0.25   |
| Exercisable                  | <b>80,000,000</b>  | <b>\$0.25</b>                                      | 80,000,000  | \$0.25   |

No warrants were issued during the quarter ended June 30, 2015 (no warrants issued for the year ended December 31, 2014).

The following table summarizes information about the Company's warrants as at June 30, 2015

| <b>Number</b>     | <b>Exercise price</b> | <b>Remaining Life (years)</b> |
|-------------------|-----------------------|-------------------------------|
| <b>80,000,000</b> | <b>\$0.25</b>         | <b>2.33</b>                   |
| <b>80,000,000</b> |                       |                               |

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.



**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**17 - WARRANTS - (Continued)**

Fair values measured as at June 30, 2015 and as at December 31, 2014 have been estimated using the Black-Scholes option-pricing model with the following assumptions:

|                         | <b>June 30,<br/>2015<br/>(unaudited)</b> | December 31,<br>2014 |
|-------------------------|--|----------------------|
| Risk-free interest rate | <b>0.49%</b>                             | 1.00%                |
| Expected volatility     | <b>101.46%</b>                           | 100.54%              |
| Dividend yield          | <b>0%</b>                                | 0%                   |
| Expected life           | <b>2.33 years</b>                        | 2.83 years           |

The fair value of warrants is presented in note 26 hereinafter.

**18 - ENVIRONMENTAL LIABILITIES**

|   | <b>June 30,<br/>2015<br/>(unaudited)</b> | December 31,<br>2014 |
|---|--|----------------------|
| Provision related to the subsequent dismantling of the facilities being built on the Nampala site | <b>\$<br/>309,166</b>                    | \$<br>367,618        |

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 (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**19 - CONVERTIBLE DEBENTURES**

The Company issued, on November 21, 2013, convertible debentures in the amount of \$11,940,000, unsecured, maturing on November 20, 2016. This amount is convertible into 79,600,000 common shares of the Company until November 20, 2016 at a price of \$0.15 per share. The debentures bear interest at 10% annually and are payable in cash on each anniversary date. Interest is not convertible into shares of the Company, but may be settled in shares of the Company based on the share price at that time, and subject to pre-approval of the Exchange. In certain situations, the Company has the possibility to make a redemption offer equal to 105% of the principal amount and accrued and unpaid interest to the holders prematurely.

The convertible debentures are divided into two components, the debt portion and the conversion right. The conversion right component was initially measured at fair value at the date of issuance of the debentures, on November 21, 2013, and the debt component was initially measured at residual value. For the six month period ended June 30, 2015, an amount of \$592,093 was recorded as accrued interest (\$1,194,000 for the year ended December 31, 2014) and an amount of effective interest of \$747,688 was recorded on the debt portion of this debenture (\$1,332,884 for the year ended December 31, 2014). The carrying amounts of these debentures are as follows:

|                                  | <b>June 30,<br/>2015<br/>(unaudited)</b> | December 31,<br>2014 |
|----------------------------------|--|----------------------|
|                                  | \$                                       | \$                   |
| Conversion rights at fair value  | <b>1,955,808</b>                         | 3,028,967            |
| Debt component at amortized cost | <b>9,473,950</b>                         | 8,726,262            |
|                                  | <b>11,429,758</b>                        | 11,755,229           |

Fair values of conversion rights measured as at June 30, 2015 and December 31, 2014 have been estimated using the Black-Scholes option-pricing model with the following assumptions:

|                         | <b>June 30,<br/>2015<br/>(unaudited)</b> | December 31,<br>2014 |
|-------------------------|--|----------------------|
| Risk-free interest rate | <b>0.49%</b>                             | 1.00%                |
| Expected volatility     | <b>121.93%</b>                           | 106.86%              |
| Expected dividend yield | <b>0%</b>                                | 0%                   |
| Remaining life          | <b>1.4 year</b>                          | 1.89 year            |

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**20 - SHARE CAPITAL****Authorized :**

Unlimited number of shares without par value:

Common shares

Preferred shares, non-voting, variable non-cumulative dividend not exceeding 14%, non-participating in the remaining assets, redeemable at the purchase price

**Issued and fully paid****579,509,566 common shares**

(December 31, 2014, - 310,165,539 common shares)

| <b>June 30,<br/>2015<br/>(unaudited)<br/>\$</b> | December 31,<br>2014<br>\$ |
|---|----------------------------|
| <b>66,734,172</b>                               | 47,944,090                 |

**Year 2015**

On January 21, 2015, the Company closed a private placement consisting of 142,857,142 shares at a price of \$0.07 per share for gross proceeds of \$10,000,000.

On January 21, 2015, the Company issued 126,486,885 shares at a price of \$0.07 per share in payment of a debt for gross proceeds of \$8,854,082.

**Year 2014**

In December 2014, the Company issued 11,940,000 shares at a price of \$0.10 per share in payment of a debt for gross proceeds of \$1,194,000.

In November 2014, the Company closed a private placement consisting of 14,550,000 shares at a price of \$0.10 per share for gross proceeds of \$1,455,000.

Share issue costs relating to these private placements total \$13,245.

In April 2014, the Company issued 250,000 shares following the exercise of stock options for a cash consideration of \$33,750. The value of options exercised that was reclassified to share capital is \$21,125.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**20 - SHARE CAPITAL (Continued)****Stock option plan**

Pursuant to the stock option plan, the Company may award options to directors, officers, employees and consultants. The maximum number of common shares of the Company issuable under the plan is 10,000,000. The maximum number of common shares which may be reserved for issuance to any one optionee within a one-year period, other than a consultant or a person employed to provide investor relations activities to the Company, may not exceed 5% of the common shares issued and outstanding at the date of grant. At the moment of issue of the options, the Board of Directors will fix the exercise price and the expiry date of options and determines terms and conditions regarding the vesting rules at the time of the allocation date. Term of the options cannot exceed ten years and the exercise price can be a discounted price. The maximum number of common shares which may be reserved for issuance to a holder who is a consultant or a person employed to provide investor relations activities to the Company in any 12-month period, may not exceed 2% of the common shares issued and outstanding at the date of grant. Finally, options granted to a person retained to provide investor relations activities to the Company will be vested in stages over a period of no less than 12 months with no more than ¼ of the Option vesting in any 3-month period.

The stock options granted by the Company are payable in equity instruments of the Company.

The stock options varied as follows:

|                          | <b>First half ended<br/>June 30, 2015<br/>(6 months)</b> |  | <b>Year ended<br/>December 31, 2014<br/>(12 months)</b> |  |
|--------------------------|--|--|---|--|
|                          | <b>Quantity</b>  | <b>Weighted<br/>average<br/>exercise<br/>price</b> | <b>Quantity</b>   | <b>Weighted<br/>average<br/>exercise<br/>price</b> |
| Ousting at the beginning | <b>3,355,000</b>   | <b>\$0.19</b>                                      | 2,950,000   | \$0.19   |
| Granted                  | ---  | ---  | 1,380,000   | \$0.20   |
| Exercised                | ---  | ---  | (250,000)   | \$0.14   |
| Cancelled or expired     | <b>(1,171,666)</b>                                       | <b>\$0.20</b>                                      | (725,000)   | \$0.19   |
| Ousting at the end       | <b>2,183,334</b>   | <b>\$0.19</b>                                      | 3,355,000   | \$0.19   |
| Exercisable              | <b>1,916,667</b>   | <b>\$0.19</b>                                      | 2,481,666   | \$0.19   |

For the six month period ended June 30, 2015, there is no exercise of stock options (the weighted average price per share during the exercise of stock options was \$0.22 for the year ended December 31, 2014).

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**20 - SHARE CAPITAL (Continued)**

The total fair value of stock options granted for the six month period ended June 30, 2015 was \$0 (\$90,834 for the year ended December 31, 2014). For the six month period ended June 30, 2015, an amount of \$19,536 is included as stock-based compensation expense (\$31,665 for the year ended December 31, 2014). The total fair value was estimated on the grant dates using the Black-Scholes option pricing model with the following weighted average assumptions:

|                         | <b>2015</b> | 2014      |
|-------------------------|-------------|-----------|
| Risk-free interest rate | ---         | 1.09%     |
| Expected volatility     | ---         | 48.52%    |
| Expected dividend yield | ---         | 0%        |
| Expected life           | ---         | 2.6 years |

The following table summarizes certain information on the Company's stock options as at June 30, 2015 and December 31, 2014 :

| Exercise price         | Outstanding options<br>as at June 30, 2015 |   | Exercisable options<br>as at June 30, 2015 |   |
|------------------------|--|---|--|---|
|                        | Number                                     | Weighted average remaining<br>contractual life<br>Years | Number                                     | Weighted average remaining<br>contractual life<br>Years |
| From \$0.10 to \$0.145 | 650,000                                    | 2.4   | 650,000                                    | 2.4   |
| From \$0.15 to \$0.195 | 458,334                                    | 1.5   | 291,667                                    | 1.5   |
| From \$0.20 to \$0.245 | 1,075,000                                  | 1.3   | 975,000                                    | 1.3   |
|                        | <b>2,183,334</b>                           |   | <b>1,916,667</b>                           |   |

| Exercise price         | Outstanding options<br>as at December 31, 2014 |   | Exercisable options<br>as at December 31, 2014 |   |
|------------------------|--|---|--|---|
|                        | Number   | Weighted average remaining<br>contractual life<br>Years | Number   | Weighted average remaining<br>contractual life<br>Years |
| From \$0.10 to \$0.145 | 775,000  | 2.4   | 775,000  | 2.4   |
| From \$0.15 to \$0.195 | 625,000  | 2.1   | 291,666  | 2.1   |
| From \$0.20 to \$0.245 | 1,675,000                                      | 2.2   | 1,275,000                                      | 2.2   |
| From \$0.25 to \$0.295 | 280,000  | 1.3   | 140,000  | 1.3   |
|                        | <b>3,355,000</b>                               |   | <b>2,481,666</b>                               |   |

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**21 - ACCUMULATED OTHER COMPREHENSIVE LOSS**

|                                 | <b>June 30,<br/>2015</b> | December 31,<br>2014 |
|---------------------------------|--------------------------|----------------------|
|                                 | <b>\$</b>                | \$                   |
|                                 | <b>(6 months)</b>        | (12 months)          |
| <b>Exchange difference</b>      |                          |                      |
| <b>Balance at the beginning</b> | <b>524,611</b>           | 2,232,980            |
| Exchange difference changes     | <b>(941,683)</b>         | (1,708,369)          |
| <b>Balance at the end</b>       | <b>(417,072)</b>         | 524,611              |
| <b>Attributable to:</b>         |                          |                      |
| Common shareholders             | <b>(427,835)</b>         | 513,848              |
| Non-controlling interests       | <b>10,763</b>            | 10,763               |
|                                 | <b>(417,072)</b>         | 524,611              |

**22 - ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | <b>Second quarters<br/>ended June 30,</b> |             | <b>First halves<br/>ended June 30,</b> |             |
|---|---|-------------|--|-------------|
|   | <b>2015</b>                               | 2014        | <b>2015</b>                            | 2014        |
|   | <b>\$</b>                                 | \$          | <b>\$</b>                              | \$          |
| <i>a) Net changes in non-cash working capital items</i>   |   |             |  |             |
| <b>Decrease (increase) in current assets</b>  |   |             |  |             |
| Accounts receivable   | <b>(2,311,993)</b>                        | 958,645     | <b>(3,755,758)</b>                     | 695,260     |
| Inventories   | <b>(14,060)</b>                           | (1,028,096) | <b>(130,266)</b>                       | (1,611,962) |
| Prepaid expenses  | <b>2,185</b>                              | (400)       | <b>44,001</b>                          | (400)       |
|   | <b>(2,323,868)</b>                        | (69,851)    | <b>(3,842,023)</b>                     | (917,102)   |
| <b>Increase (decrease) in current liabilities</b>   |   |             |  |             |
| Accounts payable  | <b>386,457</b>                            | 3,168,693   | <b>(1,055,069)</b>                     | 3,768,763   |
|   | <b>(1,937,411)</b>                        | 3,098,842   | <b>(4,897,092)</b>                     | 2,851,661   |
| <i>b) Items not affecting cash related to investing activities</i>  |   |             |  |             |
| Acquisition of mining properties and property, plant and equipment and intangible assets included in accounts payable | <b>(1,623,646)</b>                        | ---         | <b>(988,991)</b>                       | ---         |
|   | <b>(3,561,057)</b>                        | 3,098,842   | <b>(5,886,083)</b>                     | 2,851,661   |

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**23 - NET LOSS PER SHARE**

The following table shows a reconciliation between the basic and the diluted loss per share:

|   | <b>Second quarters</b> |             | <b>First halves</b>   |             |
|---|------------------------|-------------|-----------------------|-------------|
|   | <b>ended June 30,</b>  |             | <b>ended June 30,</b> |             |
|   | <b>2015</b>            | <b>2014</b> | <b>2015</b>           | <b>2014</b> |
|   | <b>\$</b>              | <b>\$</b>   | <b>\$</b>             | <b>\$</b>   |
| Basic net loss  | <b>371,138</b>         | 2,854,920   | <b>(923,178)</b>      | 10,472,339  |
| Basic weighted average number of shares outstanding     | <b>579,509,566</b>     | 283,626,088 | <b>564,750,989</b>    | 283,601,566 |
| Conversion rights related to convertible debentures (1) | ---                    | 79,600,000  | ---                   | 79,600,000  |
| Stock options (1)                                       | ---                    | 1,409,341   | ---                   | 1,890,884   |
| Warrants (1)  | ---                    | ---         | ---                   | ---         |
| Diluted weighted average number of shares outstanding   | <b>579,509,566</b>     | 364,635,429 | <b>564,750,989</b>    | 365,092,450 |
| <b>Basic and diluted net loss per share (2)</b>         | <b>(0.001)</b>         | 0.010       | <b>(0.002)</b>        | 0.037       |

- (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 three month period ended June 30, 2015, 79,600,000 conversion rights ; 2,485,165 options and 80,000,000 warrants are not included in the diluted net loss per share calculation (no conversion right ; 4,519,715 options and 89,288,489 warrants for the three month period ended June 30, 2014). For the six month period ended June 30, 2015, 79,600,000 conversion rights ; 2,617,431 options and 80,000,000 warrants are not included in the diluted net loss per share calculation (no conversion right ; 4,436,975 options and 89,285,980 warrants for the six month period ended June 30, 2014).
- (2) Due to the net losses recorded during the three month periods ended June 30, 2015 and 2014, as well as the six month period ended June 30, 2014, potentially dilutive securities were considered anti-dilutive for these periods.

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**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

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**24 - CONTINGENCY***Environmental Protection*

The Company's operations 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 period in which it will be possible to make a reasonable estimate.

**25 - CAPITAL DISCLOSURES**

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities. The Company includes equity in the definition of capital. The Company's capital was respectively \$36,049,412 and \$17,347,259 as at June 30, 2015 and December 31, 2014.

The Company's objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial obligations. The Company monitors capital in the light of its monthly burn rate and short-term obligations linked to its financial liabilities.

Other operations that affect equity are presented in the consolidated statement of changes in equity.



**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**26 - FINANCIAL INSTRUMENTS****Measurement categories**

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of income (loss) or in the consolidated statement of comprehensive income (loss). These categories are: loans and receivables and financial liabilities at amortized cost. The following table shows the carrying amounts of assets and liabilities for each of these categories as at June 30, 2015 and December 31, 2014 :

|  | <b>June 30,<br/>2015</b> | December 31,<br>2014 |
|--|--------------------------|----------------------|
|  | \$                       | \$                   |
| <b>Financial assets</b>                        |                          |                      |
| Cash and cash equivalents                      | <b>744,975</b>           | 787,754              |
| Accounts receivable                            | <b>4,112,765</b>         | 324,003              |
| Deposits paid                                  | <b>13,931</b>            | 14,011               |
|  | <b>4,871,670</b>         | 1,125,768            |
| <b>Financial liabilities at amortized cost</b> |                          |                      |
| Bank overdraft                                 | ---                      | 240,804              |
| Accounts payable                               | <b>10,543,923</b>        | 10,404,668           |
| Lines of credit                                | <b>5,764,042</b>         | 6,497,663            |
| Long-term debt                                 | <b>7,279,768</b>         | 14,662,512           |
| Debt component of convertible debentures       | <b>9,473,950</b>         | 8,726,262            |
|  | <b>33,061,683</b>        | 40,531,909           |
| <b>Fair value</b>                              |                          |                      |
| Conversion rights of convertible debentures    | <b>1,955,808</b>         | 3,028,967            |
| Warrants                                       | <b>1,605,309</b>         | 2,857,793            |
|  | <b>3,561,117</b>         | 5,886,760            |

**Financial risk factors**

Due to the nature of its activities, the Company is exposed to financial risks: market risk, credit risk and liquidity risk.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**26 - FINANCIAL INSTRUMENTS - (Continued)****a) Market risk****i) Fair value**

The Company considers that the carrying amount of all its financial liabilities at amortized cost in its condensed interim consolidated financial statements approximates their fair value. Current financial assets and liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities; this includes cash and cash equivalents, accounts receivable, bank overdraft, accounts payable. The fair value of long-term debts has not been determined due to the related specific conditions negotiated between the Company and the third parties concerned. The fair value of warrants and conversion rights is determined based on the Black and Scholes option model.

The table below provides an analysis of the financial instruments which are evaluated at fair value following the initial evaluation. Financial instruments are consolidated in levels 1 to 3, according to the degree to which fair value is observable.

- Level 1: measurement at fair value based on quoted prices (not subject to adjustment) in active markets for identical assets or liabilities;
- Level 2: measurement at fair value based on data, other than the quoted prices mentioned in Level 1, observable for asset or liability, directly (that is prices) or indirectly (that is derived from prices);
- Level 3: measurement at fair value based on valuation techniques including an important part of the data related to asset or liability and which are not based on observable market data (unobservable data).

|                              | Level 1 | Level 2 | Level 3   | June 30, 2015<br>(unaudited)<br>Total fair<br>value financial<br>liabilities |
|------------------------------|---------|---------|-----------|--|
| <b>Financial liabilities</b> |         |         |           |  |
| <b>Conversion rights</b>     | ---     | ---     | 1,955,808 | 1,955,808  |
| <b>Warrants</b>              | ---     | ---     | 1,605,309 | 1,605,309  |
|                              | ---     | ---     | 3,561,117 | 3,561,117  |

|                       | Level 1 | Level 2 | Level 3   | December 31, 2014<br>Total fair<br>value financial<br>liabilities |
|-----------------------|---------|---------|-----------|---|
| Financial liabilities |         |         |           |   |
| Conversion rights     | ---     | ---     | 3,028,967 | 3,028,967   |
| Warrants              | ---     | ---     | 2,857,793 | 2,857,793   |
|                       | ---     | ---     | 5,886,760 | 5,886,760   |

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Six month periods ended June 30, 2015 and June 30, 2014

(all amounts are in Canadian dollars unless otherwise indicated)

**26 - FINANCIAL INSTRUMENTS - (continued)****a) Market risk - (continued)****i) Fair value - (continued)**

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

| <b><u>Conversion rights</u></b>  | <b>June 30,<br/>2015<br/>\$<br/>(6 months)</b> | December 31,<br>2014<br>\$<br>(12 months) |
|--|--|---|
| <b>Balance at the beginning</b>  | <b>3,028,967</b>                               | 4,332,495                                 |
| Changes in fair value recorded in profit or loss                               | <b>(1035,526)</b>                              | (1,170,824)                               |
| Impact of exchange rate changes presented in profit or loss                    | <b>(26,617)</b>                                | (190,354)                                 |
| Impact of exchange rate changes presented in other comprehensive income (loss) | <b>(11,016)</b>                                | 57,650                                    |
| <b>Balance at the end</b>  | <b>1,955,808</b>                               | 3,028,967                                 |

| <b><u>Warrants</u></b>   | <b>June 30,<br/>2015<br/>\$<br/>(6 months)</b> | December 31,<br>2014<br>\$<br>(12 months) |
|--|--|---|
| <b>Balance at the beginning</b>  | <b>2,857,793</b>                               | 3,131,898                                 |
| Changes in fair value recorded in profit or loss                               | <b>(1,214,514)</b>                             | (148,624)                                 |
| Impact of exchange rate changes presented in profit or loss                    | <b>(25,112)</b>                                | (137,604)                                 |
| Impact of exchange rate changes presented in other comprehensive income (loss) | <b>(12,858)</b>                                | 12,123                                    |
| <b>Balance at the end</b>  | <b>1,605,309</b>                               | 2,857,793                                 |

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

**ii) Interest rate risk**

The Company's current financial assets and financial liabilities are not significantly exposed to interest rate risk because either they are of a short-term nature or because they are non-interest bearing.

Lines of credit, convertible debentures and long-term debt bear interest at a fixed rate and are not exposed to interest rate risk.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**26 - FINANCIAL INSTRUMENTS - (continued)****a) Market risk - (continued)**iii) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the Canadian dollar and the American dollar.

The Company holds balances in cash and cash equivalents, accounts payable, long-term debt, convertible debentures and warrants in Canadian dollars and cash in American Dollars. Accordingly, the Company is exposed to foreign exchange risk due to exchange rate fluctuations. The Company does not use derivatives to mitigate its exposure to foreign currency risk.

The balances in Canadian dollars are as follows as at June 30, 2015 and December 31, 2014 :

|  | <b>June 30,<br/>2015<br/>(unaudited)<br/>\$</b> | December 31,<br>2014<br>\$ |
|--|---|----------------------------|
| Cash and cash equivalents              | <b>114,012</b>                                  | 676,746                    |
| Accounts payable                       | <b>(2,576,232)</b>                              | (1,570,349)                |
| Long-term debt                         | <b>(2,022,466)</b>                              | (8,854,082)                |
| <b>Net balance in Canadian dollars</b> | <b>(4,484,685)</b>                              | (9,747,685)                |
| <b>Net balance in CFA francs</b>       | <b>(2,114,416,951)</b>                          | (4,554,985,978)            |

Assuming that all other variables are constant, a 5% weakening or strengthening of dollar exchange rate would generate an impact of \$119,823 on the net loss of the Company for the six month period ended June 30, 2015 (\$457,000 for the year ended December 31, 2014).

**b) Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company offsets these risks by depositing its cash and cash equivalents with Canadian and international financial institutions with excellent credit rating. The Company owns \$43,100 with banks in Africa, which have no credit rating. Advances to suppliers were involved in the manufacture of parts for the construction of the mine. The Company has been doing business with these suppliers for many years and believes that the credit risk associated with these advances is low.

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

**26 - FINANCIAL INSTRUMENTS - (Continued)****c) 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, 2015 :

|   | Carrying amount   | Less than a year  | From 1 to 3 years | More than 3 years |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Accounts payable</b>                                   | <b>10,759,717</b> | <b>10,759,717</b> | ---               | ---               |
| <b>Convertible debentures - Conversion rights (1-3-4)</b> | <b>1,955,808</b>  | ---               | <b>1,955,808</b>  | ---               |
| <b>Convertible debentures - Debt component (2-3-4)</b>    | <b>9,473,950</b>  | ---               | <b>11,940,000</b> | ---               |
| <b>Warrants (3)</b>                                       | <b>1,605,309</b>  | ---               | <b>1,605,309</b>  | ---               |
| <b>Long-term debt</b>                                     | <b>7,279,768</b>  | <b>7,279,724</b>  | <b>615,949</b>    | ---               |
| <b>Lines of credit</b>                                    | <b>5,764,042</b>  | <b>5,764,042</b>  | ---               | ---               |
|   | <b>36,838,594</b> | <b>23,803,483</b> | <b>16,117,066</b> | ---               |

The following table shows the contractual maturities of financial liabilities as at December 31, 2014:

|  | Carrying amount | Less than a year | From 1 to 3 years | More than 3 years |
|--|-----------------|------------------|-------------------|-------------------|
| Accounts payable                                   | 10,967,392      | 10,967,392       | ---               | ---               |
| Convertible debentures - Conversion rights (1-3-4) | 3,028,967       | ---              | 3,028,967         | ---               |
| Convertible debentures - Debt component (2-3-4)    | 8,726,262       | ---              | 11,940,000        | ---               |
| Warrants (3)                                       | 2,857,793       | ---              | 2,857,793         | ---               |
| Long-term debt                                     | 14,662,512      | 14,157,794       | 1,242,934         | ---               |
| Lines of credit                                    | 6,497,663       | 6,497,663        | ---               | ---               |
|  | 46,740,589      | 31,622,849       | 19,069,694        | ---               |

(1) Convertible into 79,600,000 common shares of the Company in November 2016.

(2) 1,388,000 warrants expired in May 2014 and 80,000,000 will expire in October 2017

(3) The settlement of these liabilities does not entail any cash outflows. In addition, the exercise of warrants will result in cash inflows and the exercise of convertible debentures conversion rights will result in the elimination of outflows to the nominal value of the convertible debentures.

(4) As described in note 19.

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**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)****Six month periods ended June 30, 2015 and June 30, 2014**

(all amounts are in Canadian dollars unless otherwise indicated)

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**27 - RELATED PARTY TRANSACTIONS**

Results for the six month period ended June 30, 2015 include \$940,359 committed to the directors and officers of companies controlled by them (\$791,434 for the six month period ended June 30, 2014). 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.

**28 - SUBSEQUENT EVENTS**

On July 2, 2015, the Company announced the closing of the private placement in the form of debentures, for an amount of \$7,105,000 Canadian. The debentures bear interest at an annual rate of 10% payable on each anniversary date. They are repayable on the maturity date. The debentures are convertible at their maturity by their holders upon the agreement of the company. The latter may also force the conversion of the debentures on the maturity date to the extent that the market price of the common shares of the company was equal to or exceeds \$ 0.25 for 21 consecutive exchange days preceding the maturity date of the debentures. The conversion, if any, will be made in common shares of the Company at a conversion price of \$ 0.10 per common share, being 10,000 common shares per \$1,000 of debenture capital.

On July 2, 2015, the Company made repayment of a temporary loan of 2 million Canadian dollars from Mr. Georges Cohen, president and CEO of the Company which had been granted May 19, 2015.