Condensed interim consolidated financial statements - 2nd quarter
June 30, 2016 and 2015

The condensed interim consolidated financial statements of Robex Resources Inc. for the second quarter ended June 30, 2016 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)

	Second quarters ended June 30,		First halves ended June 30,	
	2016	2015	**2016**	2015
	$	$	**$**	$
INCOME				
Interest	**194**	56	**194**	131
	194	56	**194**	131
EXPENSES (OTHER INCOME)				
Administration expenses - note 8	**270,184**	305,610	**495,721**	477,887
Operating expenses - note 8	**37,797**	(65,300)	**15,083**	(55,398)
Stock-based compensation expense	**81,314**	19,536	**81,314**	19,536
Professional expenses	**511,910**	259,027	**1029,888**	595,549
Financial expenses - note 7	**219,448**	231,035	**314,770**	426,152
Foreign exchange loss (gains)	**(64,491)**	47,176	**(102,234)**	(426,563)
Change in fair value of financial liabilities - note 26	**(1,307,831)**	(599,275)	**6,138,212**	(2,250,040)
Depreciation of property, plant and equipment and amortization of intangible assets	**46,545**	174,944	**198,166**	346,255
Provision for impairment of mining properties	**5,612,362**	---	**5,612,362**	---
	5,407,238	372,753	**13,783,282**	(866,622)
Income (loss) before incomes tax	**(5,407,044)**	(372,697)	**(13,783,088)**	866,753
Incomes tax - note 23	**(1,485)**	---	**(1,485)**	---
NET INCOME (LOSS)	**(5,408,529)**	(372,697)	**(13,784,573)**	866,753
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Common shareholders	**(5,370,377)**	(371,138)	**(13,706,225)**	923,178
Non-controlling interests	**(38,152)**	(1,559)	**(78,348)**	(56,425)
	(5,408,529)	(372,697)	**(13,784,573)**	866,753
NET EARNINGS (LOSS) PER SHARE, BASIC AND DILUTED - note 23	**(0.009)**	(0.001)	**(0.024)**	0.002

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 ended June 30,		First halves ended June 30,	
	2016	2015	**2016**	2015
	$	$	**$**	$
NET INCOME (LOSS)	**(5,408,529)**	(372,697)	**(13,784,573)**	866,753
Other comprehensive income (loss) - Items that may be reclassified subsequently to profit or loss				
Exchange difference	**740,297**	983,171	**(184,825)**	(941,683)
COMPREHENSIVE INCOME (LOSS)	**(4,668,232)**	610,474	**(13,969,398)**	(74,930)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Common shareholders	**(4,648,789)**	612,033	**(13,920,464)**	(18,505)
Non-controlling interests	**(19,443)**	(1,559)	**(48,934)**	(56,425)
	(4,668,232)	610,474	**(13,969,398)**	(74,930)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Six month period ended June 30, 2016

(all amounts are in Canadian dollars unless otherwise indicated)

	Share capital	Reserve - Stock options	Deficit	Accumulated other comprehensive income (note 21)	Total	Non-controlling interests	Total equity
Balance as at December 31, 2015	66,734,172	2,411,647	(31,978,581)	4,260,491	41,427,729	(555,851)	40,871,878
Net loss	---	---	(13,706,225)	---	(13,706,225)	(78,348)	(13,784,573)
Exchange difference	---	---	---	(214,239)	(214,239)	29,414	(184,825)
Comprehensive loss for the period	---	---	(13,706,225)	(214,239)	(13,920,464)	(48,934)	(13,969,398)
Stock options charged to expense during the period - note 20	---	81,314	---	---	81,314	---	81,314
Balance as at June 30, 2016	**66,734,172**	**2,492,961**	**(45,684,806)**	**4,046,252**	**27,588,579**	**(604,785)**	**26,983,794**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Six month period ended June 30, 2015

(all amounts are in Canadian dollars unless otherwise indicated)

	Share capital	Reserve - Stock options	Deficit	Accumulated other comprehensive income (note 21)	Total	Non-controlling interests	Total 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 income (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 the period - note 20	---	19,536	---	---	19,536	---	19,536
Balance as at June 30, 2015	**66,734,172**	**2,411,647**	**(32,219,346)**	**(427,835)**	**36,498,638**	**(449,226)**	**36,049,412**

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)	**June 30, 2016 (unaudited) $**	December 31, 2015 $
ASSETS		
CURRENT		
Cash and cash equivalents	**2,207,616**	278,580
Inventories - note 9	**4,251,230**	3,797,184
Accounts receivable - note 10	**256,400**	42,396
Prepaid expenses	**141,698**	29,253
	6,856,944	4,147,413
DEPOSITS PAID	**660,434**	602,509
MINING PROPERTIES - notes 11 and 12	**4,880,231**	10,243,274
PROPERTY, PLANT AND EQUIPMENT - note 13	**76,638,926**	73,200,349
INTANGIBLE ASSETS - note 14	**119,962**	161,297
	89,156,497	88,354,842
LIABILITIES		
CURRENT		
Accounts payable - note 15	**13,011,423**	15,649,860
Current portion of long-term debt - note 16	**8,322,651**	5,793,135
Lines of credit - note 16	**6,494,126**	7,108,525
	27,828,200	28,551,520
CONVERTIBLE DEBENTURES - note 19		
Conversion rights at fair value	**9,933,861**	4,233,809
Debt components at amortized cost	**13,967,857**	13,026,682
WARRANTS - note 17	**1,308,836**	1,318,215
LONG-TERM DEBT - note 16	**8,815,017**	---
ENVIRONMENTAL LIABILITIES - note 18	**318,932**	352,738
	62,172,703	47,482,964
EQUITY		
Share capital - note 20	**66,734,172**	66,734,172
Reserve - stock options - note 20	**2,492,961**	2,411,647
Deficit	**(45,684,806)**	(31,978,581)
Accumulated other comprehensive income - note 21	**4,046,252**	4,260,491
	27,588,579	41,427,729
Non-controlling interests	**(604,785)**	(555,851)
	26,983,794	40,871,878
	89,156,497	88,354,842

Going concern (note 1)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(all amounts are in Canadian dollars unless otherwise indicated)	Second quarters ended June 30, 2016 $	2015 $	First halves ended June 30, 2016 $	2015 $
CASH FLOWS FROM THE FOLLOWING ACTIVITIES :				
Operating				
Net income (loss)	**(5,408,529)**	(372,697)	**(13,784,573)**	866,753
Adjustments for :				
Changes in fair value of financial liabilities	**(1,307,831)**	(599,275)	**6,138,212**	(2,250,040)
Exchange difference	**(161,109)**	22,191	**(257,919)**	(284,567)
Financial expenses	**219,254**	230,979	**314,576**	426,021
Depreciation of property, plant and equipment and amortization of intangible assets	**46,545**	174,944	**198,166**	346,255
Environnemental liabilities	**8,612**	(65,300)	**(18,725)**	(55,398)
Provision for impairment of mining properties	**5,612,362**	---	**5,612,362**	---
Stock-based compensation expense	**81,314**	19,536	**81,314**	19,536
Net changes in non-cash working capital items - note 22	**2,395**	(3,561,057)	**(1,655,103)**	(5,886,083)
Interest paid	**(160,554)**	(38,260)	**(197,480)**	(68,741)
Interest received	**194**	56	**194**	131
	(1,067,347)	(4,188,883)	**(3,568,976)**	(6,886,133)
Investing				
Variation in deposits paid	**244,571**	80	**(93,313)**	80
Acquisition of mining properties	**(87,043)**	(114,366)	**(175,084)**	(275,325)
Inflows related to mining development	**4,623,593**	---	**5,397,527**	---
Acquisition of property, plant and equipment	**(5,066,427)**	(1,087,490)	**(11,262,584)**	(3,220,949)
	(285,306)	(1,201,776)	**(6,133,454)**	(3,496,194)
Financing				
Long-term debt contracted	**---**	2,326,725	**15,439,892**	2,326,725
Repayment of long-term debt	**(228,775)**	(269,317)	**(3,606,773)**	(1,688,796)
Variation of line of credit	**1,065,936**	---	**(334,622)**	---
Issue and subscription of common shares	**---**	---	**---**	10,000,000
Share issue expenses	**---**	---	**---**	(34,000)
	837,161	2,057,408	**11,498,497**	10,603,929
Effect of exchange rate changes on cash and cash equivalents	**64,640**	(248,097)	**132,969**	(23,577)
Increase in cash and cash equivalents	**(450,852)**	(3,581,348)	**1,929,036**	198,025
Cash and cash equivalents - Beginning of year	**2,658,468**	4,326,323	**278,580**	546,950
Cash and cash equivalents - End of period	**2,207,616**	744,975	**2,207,616**	744,975
Cash and cash equivalents are composed of:				
Cash and cash equivalents	**2,207,616**	744,975	**2,207,616**	744,975

Additional information (note 22)

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

1 - NATURE OF OPERATIONS AND GOING CONCERN

Nature of activities

Robex Resources Inc. (the "Company") is a junior Canadian exploration and mining development company, which currently holds four exploration licenses, all located in Mali, in West Africa. These permits all demonstrate a favourable geology with a potential for the discovery of gold deposits. In addition to its 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, in order to achieve the level of commercial production planned. The head office address is 437, Grande-Allée Est, Québec (Quebec) G1R 2J5, Canada.

Going concern

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

As long as the Company is not in operation, the continuation of its activities will depend on its ability to raise additional financing 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.

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 Decmber 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB. These condensed interim consolidated financial statements were approved by the Board of Directors for issue on August 29, 2016.

3 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for financial instruments classified at fait value through profit or loss.

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 and whose 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.

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 income under equity. Income and expenses are translated at the exchange rate in effect on the date of the transaction.

4 - CHANGES IN ACCOUNTING POLICIES

The Company have adopted, since January 1, 2016, the 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, have no impact on the Company's profit or loss or financial position.

During the year ended December 31, 2014, the Company adopted the new accounting standard IFRIC 21, "*Rights and duties*" and amendments to IAS 36, "*Impairment of assets*". The adoption of this standard and amendments did not have a significant impact on the Company's condensed interim consolidated financial statements.

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, 2016.

(IFRS 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, 2018. Early adoption is permitted. The Company has not yet assessed the impact that the new standard will have on its 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 consolidated financial statements.

(all amounts are in Canadian dollars unless otherwise indicated)

6 - SEGMENTED INFORMATION

A) Operating segments - The Company's operations are directed towards the acquisition, exploration and pre-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, 2016 **$** **(unaudited)**
	Europe	**West Africa**	**Canada**	**Total**
Cash and cash equivalents	**1,756,568**	**268,411**	**182,637**	**2,207,616**
Inventories	**---**	**4,251,230**	**---**	**4,251,230**
Mining properties	**---**	**4,880,231**	**---**	**4,880,231**
Property, plant and equipment	**---**	**76,592,789**	**46,137**	**76,638,926**
Intangible assets	**---**	**119,962**	**---**	**119,962**
Deposits	**---**	**631,503**	**28,931**	**660,434**
Other assets	**1,835**	**370,222**	**26,041**	**398,098**
	1,758,403	**87,114,348**	**283,746**	**89,156,497**

				December 31, 2015 $
	Europe	West Africa	Canada	Total
Cash and cash equivalents	26,764	96,693	155,123	278,580
Inventories	---	3,797,184	---	3,797,184
Mining properties	---	10,243,274	---	10,243,274
Property, plant and equipment	---	73,145,211	55,138	73,200,349
Intangible assets	---	161,297	---	161,297
Deposits	---	573,578	28,931	602,509
Other assets	4,493	52,359	14,797	71,649
	31,257	88,069,596	253,989	88,354,842

(all amounts are in Canadian dollars unless otherwise indicated)

7 - FINANCIAL EXPENSES

	Second quarters ended June 30,		First halves ended June 30,	
	2016	2015	**2016**	2015
	$	$	**$**	$
Real interest debt component of convertible debentures - note 19	**502,837**	297,682	**1,005,674**	592,093
Imputed interest debt component of convertible debentures - note 19	**480,089**	383,549	**941,176**	747,688
Interest on lines of credit	**187,985**	181,665	**348,529**	337,013
Interest on long-term debt	**377,442**	154,746	**555,357**	296,208
Bank charges	**23,839**	6,571	**85,910**	12,916
	1,572,192	1,024,213	**2,936,646**	1,985,919
Capitalized financial expenses - note 13	**1,352,744**	793,178	**2,621,876**	1,559,767
	219,448	231,035	**314,770**	426,152

8 - ADMINISTRATION EXPENSES AND OPERATING EXPENSES

	Second quarters ended June 30,		First halves ended June 30,	
	2016	2015	**2016**	2015
ADMINISTRATION EXPENSES	**$**	$	**$**	$
Salaries and fringe benefits	**127,777**	110,487	**240,315**	195,193
Travel expenses	**63,352**	72,427	**110,864**	103,000
Congress	**---**	---	**636**	---
Insurance	**1,228**	673	**14,809**	13,374
Rent	**17,181**	16,865	**34,362**	33,730
Financial reporting and stock exchange fees	**8,848**	62,324	**26,511**	74,346
Marketing	**125**	300	**503**	950
Telecommunications	**5,472**	3,747	**9,776**	6,983
Office expenses	**3,629**	4,543	**6,755**	8,853
General expenses	**42,572**	34,244	**51,190**	41,458
	270,184	305,610	**495,721**	477,887
OPERATING EXPENSES				
Change in environmental liabilities	**8,612**	(65,300)	**(18,725)**	(55,398)
Mining royalties	**29,185**	---	**33,808**	---
	37,797	(65,300)	**15,083**	(55,398)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Six month periods ended June 30, 2016 and 2015

(all amounts are in Canadian dollars unless otherwise indicated)

9 - INVENTORIES

	June 30, 2016 (unaudited)	December 31, 2015
	$	$
Silver (metals)	**2,992**	519
Ore stockpiles	**657,778**	587,917
Work in progress inventory ("doré")	**1,097,553**	---
Parts and supplies	**2,492,907**	3,208,748
	4,251,230	3,797,184

10 - ACCOUNTS RECEIVABLE

	June 30, 2016 (unaudited)	December 31, 2015
	$	$
Commodity taxes receivable	**26,041**	14,797
Other receivables	**230,359**	27,599
	256,400	42,396

ROBEX RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Six month period ended June 30, 2016

(all amounts are in Canadian dollars unless otherwise indicated)

11 - MINING PROPERTIES

	Kolomba (A)	Mininko (B)	Sanoula (C)	N'Golopène (D)	Diangounté (E)	
Undivided interest	100%	100%	100%	100%	Expired	**Total**
Mining rights and titles						**$**
Balance as at December 31, 2015	64,897	103,666	197,559	1,141	1,164,682	**1,531,945**
Acquisition costs	11,260	---	---	---	---	**11,260**
Provisions	---	---	---	---	(1,171,970)	**(1,171,970)**
Reclassification	---	---	(27,584)	---	27,584	**---**
Exchange rate changes	(2,918)	(1,033)	(8,882)	1,184	(20,296)	**(31,945)**
Balance as at June 30, 2016	**73,239**	**102,633**	**161,093**	**2,325**	**---**	**339,290**
Exploration costs						
Balance as at December 31, 2015	908,846	1,603,339	943,378	740,083	4,515,683	**8,711,329**
Expenses incurred	40,346	40,346	40,346	42,714	72	**163,824**
Provisions	---	---	---	---	(4,440,392)	**(4,440,392)**
Depreciation and amortization	18,963	18,963	18,963	18,962	1,547	**77,398**
Exchange rate changes	(42,717)	227,922	(44,267)	(35,246)	(76,910)	**28,782**
Balance as at June 30, 2016	**925,438**	**1,890,570**	**958,420**	**766,513**	**---**	**4,540,941**
Total as at June 30, 2016	**998,677**	**1,993,203**	**1,119,513**	**768,838**	**---**	**4,880,231**

(all amounts are in Canadian dollars unless otherwise indicated)

11 - MINING PROPERTIES - (continued)

	Kolomba (A)	Mininko (B)	Sanoula (C)	N'Golopène (D)	Diangounté (E)	
Undivided interest	100%	100%	100%	100%	85%	**Total**
Mining rights and titles						**$**
Balance as at December 31, 2014	60,619	638,205	183,436	---	1,087,885	**1,970,145**
Acquisition costs	---	1,146	1,146	1,141	---	**3,433**
Reclassified into property, plant and equipment (1)	---	(560,806)	---	---	---	**(560,806)**
Exchange rate changes	4,278	25,121	12,977	---	76,797	**119,173**
Balance as at December 31, 2015	**64,897**	**103,666**	**197,559**	**1,141**	**1,164,682**	**1,531,945**
Exploration costs						
Balance as at December 31, 2014	724,247	8,528,445	758,680	611,590	4,091,224	**14,714,186**
Expenses incurred	184,775	184,649	183,602	64,226	186,873	**804,125**
Reclassified into property, plant and equipment (1)	---	(7,172,774)	---	---	---	**(7,172,774)**
Depreciation and amortization	48,178	48,178	48,178	16 763	48,178	**209,475**
Exchange rate changes	(48,354)	14,841	(47,082)	47,504	189,408	**156,317**
Balance as at December 31, 2015	**908,846**	**1,603,339**	**943,378**	**740,083**	**4,515,683**	**8,711,329**
Total as at December 31, 2015	**973,743**	**1,707,005**	**1,140,937**	**741,224**	**5,680,365**	**10,243,274**

(1) During the year ended December 31, 2015, an amount of $7,733,580 was reclassified to property, plant and equipment under "defered development costs" concerning rights and titles as well as exploration costs in relation to Nampala mine's operation permit (see note 13).

11 - Mining properties - (continued)

(A) The Company holds the license, through its wholly-owned subsidiary, Robex Resources Mali SARL. This license was granted on January 17, 2013. The permit is valid for three years, renewable twice for two years, for a total of seven years. This permit expires on January 17, 2020.

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

(B) 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 permit is valid for three years and is renewable twice. The duration of each renewal period is two years, for a total of seven 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 mining permit is valid for thirty years.

In addition, when assigning the mining 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. The Company has met these requirements.

(C) 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 three years ans is renewable twice. The duration of each renewal period is 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. The Company has met these requirements.

11 - Mining properties - (continued)

(D) 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 interest of 51% in the joint venture once certain conditions have been met. In February 2015, the agreement entered into with the company Resolute Mining Limited was canceled due to the latter's decision. Robex has recovered all of the undivided rights of the mining property and now owns 100% of this propertie.

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 three years, renewable twice, for a total of seven years. The permit was renewed in August 2013 and another time in August 2015. This permit expires in May 2017.

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

(E) The Diangounté research and mining permit expired on May 17, 2016 and at June 30, 2016, the Company had not filed application for renewal. The Company has therefore recorded, in the 2nd quarter of 2016, an amount of $5,612,362 as a provision for depreciation in regards to this permit.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Six month periods ended June 30, 2016 and 2015

(all amounts are in Canadian dollars unless otherwise indicated)

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

MINING RIGHTS AND TITLES	2016 $ (6 months)	2015 $ (12 months)
Balance at beginning	**1,531,945**	1,970,145
Acquisition cost	**11,260**	3,433
Reclassification into property, plant and equipment	**---**	(560,806)
Provisions or write-offs	**(1,171,970)**	---
Impact of exchange rate changes	**(31,945)**	119,173
Balance at end	**339,290**	1,531,945

EXPLORATION AND DEVELOPMENT EXPENSES		
Balance at beginning	**8,711,329**	14,714,186
Add:		
Management fees	**---**	42,724
Exploration expenses	**135,334**	675,058
Equipment	**5,027**	20,853
Development fees	**64**	---
Travel expenses	**2,246**	15,028
Supplies and other	**21,153**	50,462
	163,824	804,125
Depreciation of property, plant and equipment and amortization of intangible assets	**77,398**	209,475
Reclassification into property, plant and equipment	**---**	(7,172,774)
Provisions or write-offs	**(4,440,392)**	---
Impact of exchange rate changes	**28,782**	156,317
	(4,170,388)	(6,002,857)
Balance at end	**4,540,941**	8,711,329
TOTAL BALANCE	**4,880,231**	10,243,274

(all amounts are in Canadian dollars unless otherwise indicated)

13 - PROPERTY, PLANT AND EQUIPMENT

	Mining development costs	Buildings and office development	Equipment related to mining operations	Tools, equipment and vehicles	Exploration equipment	**Total**
Cost						**$**
Balance as at December 31, 2014	**6,525,351**	**3,427,941**	**32,503,369**	**1,901,917**	**1,869,365**	**46,227,943**
Additions						
Assets acquired	2,558,367	7,738	15,492,757	718	---	**18,059,580**
Reclassification of mining properties	7,733,580	---	---	---	---	**7,733,580**
Exchange rate changes	1,166,009	242,346	2,754,664	137,422	128,691	**4,429,132**
Balance as at December 31, 2015	**17,983,307**	**3,678,025**	**50,750,790**	**2,040,057**	**1,998,056**	**76,450,235**
Additions						
Assets acquired	(1,698,976)	(8,864)	6,932,627	2,455	1,532	**5,228,775**
Reclassification	---	952,113	(318,453)	(608,653)	---	**25,006**
Exchange rate changes	1030,142	(165,353)	(2365,160)	(91,715)	(89,828)	**(1,681,914)**
Balance as at June 30, 2016	**17,314,473**	**4,455,921**	**54,999,804**	**1,342,144**	**1,909,760**	**80,022,102**

During the year ended December 31, 2015, an amount of $7,733,580 from mining properties (note 11) was reclassified into property, plant and equipment under "mining development costs" concerning mining rights and titles as well as exploration costs in relation to the Nampala mine's operating permit.

For the six month period ended June 30, 2016, an amount of $20,117 for the depreciation of certain items of property, plant and equipment was recorded in "equipment related to mining operations" ($47,461 for the year ended December 31, 2015). Also, during the six month period ended June 30, 2016, financial expenses of $2,621,876 were capitalized to "mining development costs" and "equipment related to mining operations" ($3,947,091 during the year ended December 31, 2015).

(all amounts are in Canadian dollars unless otherwise indicated)

13 - PROPERTY, PLANT AND EQUIPMENT - (continued)

	Mining development costs	Buildings and office development	Equipment related to mining operations	Tools, equipment and vehicles	Exploration equipment	**Total**
Accumulated depreciation						**$**
Balance as at December 31, 2014	**---**	**549,206**	**---**	**447,035**	**1,138,604**	**2,134,845**
Depreciation for the year	---	427,094	---	326,249	166,572	**919,915**
Exchange rate changes	---	58,146	---	46,475	90,505	**195,126**
Balance as at December 31, 2015	**---**	**1,034,446**	**---**	**819,759**	**1,395,681**	**3,249,886**
Depreciation for the year	---	362,864	5,094	(144,308)	62,381	**286,031**
Exchange rate changes	---	(49,195)	---	(38,786)	(64,760)	**(152,741)**
Balance as at June 30, 2016	**---**	**1,348,115**	**5,094**	**636,665**	**1,393,302**	**3,383,176**
Net amount:						
as at December 31, 2015	17,983,307	2,643,579	50,750,790	1,220,298	602,375	**73,200,349**
as at June 30, 2016	**17,314,473**	**3,107,806**	**54,994,710**	**705,479**	**516,458**	**76,638,926**

Property, plant and equipment with a carrying amount of $72,037,638 are not depreciated because they are either under construction or being installed as at June 30, 2016 ($68,734,097 as at December 31, 2015).

(all amounts are in Canadian dollars unless otherwise indicated)

14 - INTANGIBLE ASSETS

Software	2016 $ (6 months)	2015 $ (12 months)
COST		
Balance at the beginning	**346,584**	323,742
Additions:		
Assets acquired	**---**	---
	(25,006)	---
Impact of exchange rate changes	**(15,582)**	22,842
Balance at the end	**305,996**	346,584
ACCUMULATED AMORTIZATION		
Balance at the beginning	**185,287**	114,222
Amortization for the period	**9,648**	59,631
Impact of exchange rate changes	**(8,901)**	11,434
Balance at the end	**186,034**	185,287
Net amount:	**119,962**	161,297

15 - ACCOUNTS PAYABLE

	June 30, 2016 (unaudited) $	December 31, 2015 $
Accrued interest	**2,891,546**	2,540,266
Payables to related parties	**2,065,334**	2,040,508
Other payables	**8,054,543**	11,069,086
	13,011,423	15,649,860

(all amounts are in Canadian dollars unless otherwise indicated)

16 - LONG-TERM DEBT

	June 30, 2016 (unaudited)	December 31, 2015
	$	$
Loan from a supplier, annual interest rate of 10 %, payable in monthly instalments of $212,240 (97,001,777 CFA francs), principal and interest, until December, 2016.	**2,365,596**	2,356,638
Loan from a supplier, maximum amount of $3,436,497 (1,500,000,000 CFA francs), annual interest of 10.1%. This loan was fully repaid March 25, 2016.	**---**	3,436,497
Loan from a shareholder of the Company, in the amount of $1,435,235 (EUR 1,000,000), annual interest of 8%, repayable by March 31, 2017.	**1,435,235**	---
Bank loan in the amount of $2,625,502 (1.2 billion CFA francs), annual interest of 7%, secured by a pledge of $5,251,204 (2.4 billion CFA francs) on equipment and material located at the Nampala mine. This loan is repayable in monthly installments of $291,734 (133,333,333 CFA francs) plus interest until May 2017 inclusively.	**2,625,602**	---
Bank loan in the amount of $ 4,376,004 (2,000,000,000 CFA francs), annual interest of 7%, secured by a second mortgage land on the operating license for gold and minerals in the region of Nampala. This loan is repayable in monthly installments of $112,205 (51,282,051 CFA francs) plus interest until February 2020 inclusively.	**4,376,004**	---
Bank loan in the amount of $6,564,006 (3,000,000,000 CFA francs), annual interest of 8%, secured by a first mortgage land on the operating license for gold and minerals in the region of Nampala. This loan is repayable in monthly installments of $163,556 (74,751,318 CFA francs) including capital and interest, until April 2020 inclusively.	**6,335,231**	---
	17,137,668	5,793,135
Current portion of long-term debt	**8,322,651**	5,793,135
	8,815,017	---

16 - LONG-TERM DEBT - (continued)

Lines of credit	**June 30, 2016 (unaudited) $**	December 31, 2015 $
Authorized line of credit from a bank in Mali, for a maximum amount of 500,000,000 CFA francs. Annual interest rate of 9%.	**1,034,509**	1,203,939
Authorized line of credit from a bank in Mali, for a maximum amount of 2,500,000,000 CFA francs. Annual interest rate of 8%.	**5,459,617**	5,904,586
	6,494,126	7,108,525

17 - WARRANTS

The warrants that were granted varied as follows :

	First half ended June 30, 2016 (6 months)		Year ended December 31, 2015 (12 months)	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at the beginning	**80,000,000**	**$0.25**	80,000,000	$0.25
Outstanding at the end	**80,000,000**	**$0.25**	80,000,000	$0.25
Exercisable	**80,000,000**	**$0.25**	80,000,000	$0.25

The following table summarizes information about the Company's warrants as at June 30, 2016

Number	Exercise price	Remaining Life (years)
80,000,000	$0.25	1.33

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

(all amounts are in Canadian dollars unless otherwise indicated)

17 · WARRANTS - (continued)

Fair values as at June 30, 2016 and as at December 31, 2015 have been estimated using the Black-Scholes option-pricing model with the following assumptions:

	June 30, 2016 (unaudited)	December 31, 2015
Risk-free interest rate	**0.52 %**	0.48 %
Expected volatility	**79.56 %**	111.2 %
Dividend yield	**0 %**	0 %
Expected life	**1.33 year**	1.83 year

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

18 · ENVIRONMENTAL LIABILITIES

	June 30, 2016 (unaudited)	December 31, 2015
	$	$
Provision related to the subsequent dismantling of the facilities being built on the Nampala site	**318,932**	352,738

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.

19 · CONVERTIBLE DEBENTURES

Debentures issued on November 21, 2013

The Company issued, on November 21, 2013, convertible debentures in the amount of $11,940,000, unsecured, whose initial maturity date was November 20, 2016. This amount was convertible into 79,600,000 common shares of the Company until November 20, 2016 at a price of $0.15 per share. The debentures bore interest at 10% annually and could be paid in cash on each anniversary date. Interest was not convertible into shares of the Company, but could 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 had the possibility to make a redemption offer equal to 105% of the principal amount and accrued and unpaid interest to the holders prematurely.

(all amounts are in Canadian dollars unless otherwise indicated)

19 - CONVERTIBLE DEBENTURES - (continued)

Debentures issued on November 21, 2013 - (continued)

On November 21, 2015, the Company changed the terms of some of these debentures. The amendments consist in extending the maturity date of some debentures from November 21, 2016 to November 21, 2018, entitling the Company to defer interest payment till the amended maturity date, subject to 10 % annual interest and entitling the Company to repay the said Debentures at any time before November 21, 2018. The principal outstanding on the debentures amended as of the date of the extension is $11,790,000. All the other terms of the debentures remain unchanged.

The convertible debentures are divided into two components, the debt portion and the conversion right. Concerning the debentures whose maturity date is November 21, 2016, 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. Concerning the debentures whose maturity date was modified on November 21, 2015, the conversion right component was revalued at fair value at the date of the modification of the debentures, on November 21, 2015, and the debt component was measured at residual value. For the half ended June 30, 2016, an amount of $652,366 has been recorded as accrued interest ($592,093 for the half ended June 30, 2015) and an amount of effective interest of $465,818 has been recorded on the debt portion of these debentures ($747,688 for the half ended June 30, 2015). The carrying values of the components of these debentures are presented on the next page.

Fair values of conversion rights measured as at June 30, 2016 and December 31, 2015 have been estimated using the weighted Black-Scholes option-pricing model with the following weighted assumptions:

	June 30, 2016 (unaudited)	December 31, 2015
Weighted risk-free interest rate	**0.52 %**	0.48 %
Weighted expected volatility	**107.62 %**	94.69 %
Weighted expected dividend yield	**0 %**	0 %
Weighted remaining life	**2.37 years**	2.87 years

Debentures issued on July 2, 2015

The Company issued, on July 2, 2015, convertible debentures in the amount of $7,105,000, unsecured, maturing on July 1, 2018. This amount is convertible into 71,050,000 common shares of the Company until July 1, 2018 at a price of $0.10 per share. The debentures bear interest at 10% annually and are payable in cash on each anniversary date. The accrued interest payable on the first anniversary date of the issuance of the Debentures will be paid in four equal installments payable on July 2, 2016, October 1, 2016, January 1, 2017 and April 1, 2017. 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.

(all amounts are in Canadian dollars unless otherwise indicated)

19 - CONVERTIBLE DEBENTURES (continued)

Debentures issued on July 2, 2015 (continued)

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 July 2, 2015, and the debt component was initially measured at residual value. For the half ended June 30, 2016, an amount of $353,309 has been recorded as accrued interest (nil for the half ended June 30, 2015) and an amount of effective interest of $475,358 has been recorded on the debt portion of this debenture (nil for the half ended June 30, 2015). The carrying values of the components of these debentures are presented below.

Fair values of conversion rights measured as at June 30, 2016 and December 31, 2015 have been estimated using the Black-Scholes option-pricing model with the following assumptions:

	June 30, 2016 (unaudited)	December 31, 2015
Risk-free interest rate	**0.52 %**	0.48 %
Expected volatility	**114.4 %**	98.19 %
Expected dividend yield	**0 %**	0 %
Remaining life	**2 years**	2.5 years

The carrying values of the components of these debentures are:

	June 30, 2016 (unaudited)	December 31, 2015
Conversion rights at fair value	**$**	$
Debentures issued on November 21, 2013	**4,927,007**	2,065,618
Debentures issued on July 2, 2015	**5,006,854**	2,168,191
	9,933,861	4,233,809
Debt component at amortized cost		
Debentures issued on November 21, 2013	**9,396,521**	8,930,704
Debentures issued on July 2, 2015	**4,571,337**	4,095,978
	13,967,857	13,026,682
	23,901,718	17,260,491

(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

	June 30, 2016 (unaudited)	December 31, 2015
	$	$
Issued and fully paid		
579,509,566 common shares		
(December 31, 2015, - 579,509,566 common shares)	**66,734,172**	66,734,172

Year 2016

No operation on the Company's share capital was recorded in the half ended June 30, 2016.

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. Share issue expenses amounted to $34,000.

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. Share issue expenses amounted to $30,000.

(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. Upon issuance of the options, the Board of Directors determines the expiry date and exercise price of options and establishes the terms and conditions regarding the vesting rules at the date of grant. The option term 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 vest over a period of 12 months, at a rate of 25% in any three month period.

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

The stock options varied as follows:

	First half ended	**June 30, 2016 (6 months)**		Year ended December 31, 2015 (12 months)
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Oustanding at the beginning	**2,058,334**	**$0.20**	3,355,000	$0.19
Granted	**1,000,000**	**$0.16**	---	---
Cancelled or expired	**(533,334)**	**$0.18**	(1,296,666)	$0.19
Oustanding at the end	**2,525,000**	**$0.18**	2,058,334	$0.20
Exercisable	**2,525,000**	**$0.18**	1,791,667	$0.19

For the half ended June 30, 2016, no stock options were exercised (no stock options were exercised for the year ended December 31, 2015).

(all amounts are in Canadian dollars unless otherwise indicated)

20 · SHARE CAPITAL (continued)

The total fair value of stock options granted for the half ended June 30, 2016 was $69,746 (nil for the year ended December 31, 2015). For the half ended June 30, 2016, an amount of $81,315 is included as stock-based compensation expense ($19,536 for the year ended December 31, 2015). The total fair value was estimated on the grant dates using the Black-Scholes option pricing model with the following average assumptions:

	2016
Risk-free interest rate	0.49 %
Expected volatility	98.15 %
Expected dividend yield	0 %
Expected life	3 years

The following table summarizes certain information on the Company's stock options as at June 30, 2016 and December 31, 2015 :

	Outstanding options as at June 30, 2016		**Exercisable options as at June 30, 2016**	
		Weighted average remaining contractual life		**Weighted average remaining contractual life**
Exercise price	**Number**	**Years**	**Number**	**Years**
From $0.10 to $0.145	**650,000**	**1.4**	**650,000**	**1.4**
From $0.15 to $0.195	**1,000,000**	**3.0**	**1,000,000**	**3.0**
From $0.20 to $0.245	**875,000**	**0.2**	**875,000**	**0.2**
	2,525,000		**2,525,000**	

	Outstanding options as at December 31, 2015		Exercisable options as at December 31, 2015	
		Weighted average remaining contractual life		Weighted average remaining contractual life
Exercise price	Number	Years	Number	Years
From $0.10 to $0.145	650,000	1.9	650,000	1.9
From $0.15 to $0.195	333,334	1.4	166,667	1.4
From $0.20 to $0.245	1,075,000	0.8	975,000	0.8
	2,058,334		1,791,667	

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Six month periods ended June 30, 2016 and 2015

(all amounts are in Canadian dollars unless otherwise indicated)

21 . ACCUMULATED OTHER COMPREHENSIVE INCOME

	June 30, 2016 $	December 31, 2015 $
Exchange difference	**(6 months)**	(12 months)
Balance at the beginning	**4,233,059**	524,611
Exchange difference changes in period	**(184,825)**	3,708,448
Balance at the end	**4,048,234**	4,233,059
Attributable to:		
Common shareholders	**4,046,252**	4,260,491
Non-controlling interests	**1,982**	(27,432)
	4,048,234	4,233,059

22 . ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Second quarters ended June 30,		First halves ended June 30,	
	2016	2015	**2016**	2015
a) Net changes in non-cash working capital items	**$**	$	**$**	$
Decrease (increase) in current assets				
Accounts receivable	**(410)**	(2,311,993)	**(227,035)**	(3,755,758)
Inventories	**(470,978)**	(14,060)	**(629,253)**	(130,266)
Prepaid expenses	**47,038**	2,185	**(112,611)**	44,001
	(424,350)	(2,323,868)	**(968,899)**	(3,842,023)
Increase (decrease) in current liabilities				
Accounts payable	**426,747**	(1,237,189)	**(686,204)**	(2,044,060)
	2,397	(3,561,057)	**(1,655,103)**	(5,886,083)
b) Items not affecting cash related to investing activities				
Acquisition of mining properties and property, plant and equipment included in accounts payable	**(254,354)**	(1,623,646)	**5,274,936**	(988,991)

(all amounts are in Canadian dollars unless otherwise indicated)

23 - NET EARNINGS (LOSS) PER SHARE

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

	Second quarters ended June 30,		First halves ended June 30,	
	2016	2015	**2016**	2015
	$	$	**$**	$
Basic net earnings (loss)	**(5,370,377)**	(371,138)	**(13,706,225)**	923,178
Basic weighted average number of shares outstanding	**579,509,566**	579,509,566	**579,509,566**	564,750,989
Conversion rights related to convertible debentures (1)	**71,050,000**	---	**71,050,000**	---
Stock options (1)	**---**	---	**---**	---
Warrants (1)	**---**	---	**---**	---
Diluted weighted average number of shares outstanding	**650,559,566**	579,509,566	**650,559,566**	564,750,989
Basic and diluted net earnings (loss) per share (2)	**(0.009)**	(0.001)	**(0.024)**	0.002

(1) The calculation of the hypothetical conversions excludes all anti-dilutive conversion rights, options and warrants. Some options, warrants and conversion rights are anti-dilutive because their price is higher than the average market value of the Company's common shares for each of the periods shown in the table. For the quarter ended June 30, 2016, 79,600,000 conversion rights ; 2,525,000 options and 80,000,000 warrants are not included in the diluted net earnings (loss) per share calculation (79,600,000 conversion rights ; 2,485,165 options and 80,000,000 warrants for the quarter ended June 30, 2015). For the half ended June 30, 2016, 79,600,000 conversion rights ; 2,525,000 options and 80,000,000 warrants are not included in the diluted net earnings (loss) per share calculation (79,600,000 conversion rights ; 2,617,431 options and 80,000,000 warrants for the half ended June 30, 2015).

(2) Due to the net loss recorded during the quarter and the half ended June 30, 2016, potentially dilutive securities were considered anti-dilutive for these periods.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Six month periods ended June 30, 2016 and 2015

(all amounts are in Canadian dollars unless otherwise indicated)

24 · CONTINGENCY

Environmental Protection

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

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 respectivly $26,983,794 and $40,871,878 as at June 30, 2016 and December 31, 2015, respectively.

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.

(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, financial liabilities at amortized cost and financial liabilities at fair value. The following table shows the carrying amounts of assets and liabilities for each of these categories as at June 30, 2016 and December 31, 2015 :

	June 30, 2016 (unaudited)	December 31, 2015
	$	$
Loans and receivables		
Cash and cash equivalents	**2,207,616**	278,580
Accounts receivable	**230,359**	27,599
Deposits paid	**660,434**	602,509
	3,098,409	908,688
Financial liabilities at amortized cost		
Accounts payable	**12,557,164**	15,268,089
Lines of credit	**6,494,126**	7,108,525
Long-term debt	**17,137,668**	5,793,135
Debt component of convertible debentures	**13,967,857**	13,026,682
	50,156,816	41,196,431
Financial liabilities at fair value		
Conversion rights of convertible debentures	**9,933,861**	4,233,809
Warrants	**1,308,836**	1,318,215
	11,242,697	5,552,024

Financial risk factors

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

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 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 and lines of credit. 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 measured at fair value following the initial measurement. 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).

(all amounts are in Canadian dollars unless otherwise indicated)

26 · FINANCIAL INSTRUMENTS - (continued)

a) Market risk - (continued)

i) Fair value - (continued)

	Level 1	**Level 2**	**Level 3**	**June 30, 2016 (unaudited) Total fair value financial liabilities**
Financial liabilites				
Conversion rights	---	---	**9,933,861**	**9,933,861**
Warrants	---	---	**1,308,836**	**1,308,836**
	---	**---**	**11,242,697**	**11,242,697**

	Level 1	Level 2	Level 3	December 31, 2015 Total fair value financial liabilities
Financial liabilites				
Conversion rights	---	---	4,233,809	4,233,809
Warrants	---	---	1,318,215	1,318,215
	---	---	5,552,024	5,552,024

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

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

Conversion rights	**June 30, 2016 $ (6 months)**	December 31, 2015 $ (12 months)
Balance at the beginning	**4,233,809**	3,028,967
Granted during the period	**---**	3,434,947
Changes in fair value recorded in profit or loss	**6,086,666**	(2,382,208)
Impact of exchange rate changes presented in profit or loss	**(196,681)**	245,609
Impact of exchange rate changes presented in other comprehensive income (loss)	**(189,933)**	(93,506)
Balance at the end	**9,933,861**	4,233,809

26 - FINANCIAL INSTRUMENTS - (continued)

a) Market risk - (continued)

i) Fair value - (continued)

Warrants	June 30, 2016 $ (6 months)	December 31, 2015 $ (12 months)
Balance at the beginning	**1,318,215**	2,857,793
Changes in fair value recorded in profit or loss	**51,546**	(1,640,896)
Impact of exchange rate changes presented in profit or loss	**(61,238)**	190,023
Impact of exchange rate changes presented in other comprehensive income (loss)	**313**	(88,705)
Balance at the end	**1,308,836**	1,318,215

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.

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 US 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 US Dollars. Accordingly, the Company is exposed to foreign exchange risk due to exchange rate fluctuations. The Company does not use any derivatives to mitigate its exposure to foreign exchange risk.

(all amounts are in Canadian dollars unless otherwise indicated)

26 - FINANCIAL INSTRUMENTS - (continued)

a) Market risk - (continued)

iii) Foreign exchange risk - (continued)

The balances in Canadian dollars are as follows as at June 30, 2016 and December 31, 2015 :

	June 30, 2016 (unaudited)	December 31, 2015
	$	$
Cash and cash equivalents	**63,100**	38,759
Accounts payable	**(3,428,880)**	(2,373,250)
Net balance in Canadian dollars	**(3,365,781)**	(2,334,491)
Net balance in CFA francs	**(1,538,289,632)**	(1,018,984,202)

Assuming that all other variables are constant, a 5 % weakening or strengthening of dollar exchange rate would generate an impact of $154,860 on the net loss of the Company for the half ended June 30, 2016 ($114,327 on the net earning for the year ended December 31, 2015).

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. As at June 30, 2016, and amount of $215,923 is held with banks in Africa, which have no credit rating ($53,667 as at December 31, 2015). 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.

(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, 2016 :

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	**13,011,423**	**13,011,423**	**---**	**---**
Convertible debentures - Conversion rights (1-3-4)	**9,933,861**	**19,232**	**9,914,629**	**---**
Convertible debentures - Debt components (4)	**13,967,857**	**150,000**	**18,895,000**	**---**
Warrants (2-3)	**1,308,836**	**---**	**1,308,836**	**---**
Long-term debt	**17,137,668**	**9,971,664**	**6,995,044**	**2,560,771**
Lines of credit	**6,494,126**	**6,494,126**	**---**	**---**
	61,853,772	**29,646,445**	**37,113,509**	**2,560,771**

The following table shows the contractual maturities of financial liabilities as at December 31, 2015:

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	15,649,860	15,649,860	---	---
Convertible debentures - Conversion rights (1-3-4)	4,233,809	3,278	4,230,531	---
Convertible debentures - Debt components (4)	13,026,682	150,000	18,895,000	---
Warrants (2-3)	1,318,215	---	1,318,215	---
Long-term debt	5,793,135	6,475,432	---	---
Lines of credit	7,108,525	7,108,525	---	---
	47,130,226	29,387,095	24,443,746	---

(1) Convertible into 1,000,000 common shares of the Company in November 2016, into 78,600,000 common shares of the Company in November 2018, and into 71,050,000 common shares of the Company in July 2018.

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

(3) 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.

(all amounts are in Canadian dollars unless otherwise indicated)

27 · RELATED PARTY TRANSACTIONS

Results for the half ended June 30, 2016 include an amount of $1,602,336 ($940,359 for the half ended June 30, 2015) that was incurred with the directors and officers of companies controlled by them. 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 4, the Company proceeded with the modification of terms of four convertible debentures issued on July 2, 2015 representing, for the amended debentures, a principal amount of $ 7,105,000. The modification was made to pay the accrued interest on the anniversary date of the issuance of the Debentures in four equal installments payable on July 2, 2016, October 1, 2016, January 1, 2017 and April 1, 2017.

On this date, the Company defers the maturity date of the loan in the amount of 1 million euros made by Mr. Georges Cohen to March 31, 2017.