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# **Sarama Resources Ltd.**

*(An Exploration Stage Company)*

## **CONDENSED CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2017**

*(Unaudited)*

*(Expressed in United States Dollars)*

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**DIRECTORS**

T. Sean Harvey (Non-executive Chairman)  
Andrew Dinning (President and CEO)  
Simon Jackson (Non-executive Director)  
David A. Groves (Non-executive Director)

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**AUDITORS**

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SWA

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Condensed Consolidated Statement of Financial Position (Unaudited)**  
*Expressed in United States Dollars*

***MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION***

The accompanying condensed consolidated interim financial statements and all other financial information included in this report are the responsibility of management. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Financial statements include certain amounts based on estimates and judgments. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains appropriate systems of internal control, consistent with reasonable cost, to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of three Directors, all of whom are non-management and independent, meets with management to review the consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the consolidated financial statements.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial reporting standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

***NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS***

Under National Instruments 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

(signed) “Andrew Dinning”  
Director, President and CEO  
May 30, 2017

(signed) “Lui Evangelista”  
CFO  
May 30, 2017

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Condensed Consolidated Statement of Financial Position (Unaudited)**  
*Expressed in United States Dollars*

	Note	As at March 31, 2017 \$	As at December 31, 2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,138,050	1,239,353
Security deposits		26,828	25,299
Other receivables		37,343	31,254
<b>Total current assets</b>		1,202,221	1,295,906
<b>Non-current assets</b>			
Exploration and evaluation assets	3	22,594,257	22,351,544
Plant and equipment	4	377,324	379,735
Investment in associate	5	1,476,581	1,239,114
Royalty		23,131	23,131
<b>Total non-current assets</b>		24,471,293	23,993,524
<b>Total assets</b>		25,673,514	25,289,430
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		414,673	801,243
Financial liabilities	6(e)	1,405,499	996,618
<b>Total current liabilities</b>		1,820,172	1,797,861
<b>Total liabilities</b>		1,820,172	1,797,861
<b>EQUITY</b>			
Share capital	6(b)	41,358,065	40,585,749
Share based payments reserve		2,668,730	2,546,702
Foreign currency translation reserve		(205,959)	(205,789)
Deficit		(19,967,494)	(19,435,093)
<b>Total equity</b>		23,853,342	23,491,569
<b>Total liabilities and equity</b>		25,673,514	25,289,430

These financial statements are authorised for issue by the Board of Directors on May 30, 2017.

They are signed on the Company's behalf by:

\_\_\_\_\_  
 (Signed) "Andrew Dinning" Andrew Dinning, Director

\_\_\_\_\_  
 (Signed) "Simon Jackson" Simon Jackson, Director

*The accompanying notes are an integral part of these financial statements.*

**Sarama Resources Ltd**  
**An Exploration Stage Company**  
**Condensed Consolidated Statement of Loss and Other Comprehensive Loss**  
**(Unaudited)**  
**Expressed in United States Dollars**

	Note	Three month period ended March 31, 2017 \$	Three month period ended March 31, 2016 \$
<b>Income</b>			
Interest income		382	291
Foreign exchange gain		31,373	6,558
Fair value gain on revaluation of available-for-sale financial assets		-	46,058
		31,755	52,907
<b>Expenses</b>			
Accounting and audit		9,916	11,950
Corporate development		6,138	25,839
Depreciation		2,732	3,630
Directors fees		13,388	20,804
Fair value loss on warrants carried at fair value through profit or loss	6(e)	111,871	137,918
Insurance		9,350	6,493
Marketing and investor relations		28,331	2,783
Office and general		37,944	103,872
Professional fees		21,396	1,563
Salaries		179,002	192,419
Stock-based compensation	6(d)	122,028	33,947
Travel		22,060	21,107
<b>Total expenses</b>		564,156	562,325
<b>Loss before income tax</b>		(532,401)	(509,418)
Income tax benefit		-	-
<b>Loss for the period from continuing operations</b>		(532,401)	(509,418)
Loss after tax from discontinued operations		-	(63,436)
<b>Loss after discontinued operations</b>		(532,401)	(572,854)
<i>Items that may be reclassified to the statement of income/( loss)</i>			-
Exchange differences on translation of foreign operations		(170)	(2,387)
<b>Total comprehensive loss for the period</b>		(532,571)	(575,241)
Basic and diluted loss per share			
- Continuing operations		(0.4) cents	(0.5) cents
- Discontinuing operations		-	(0.1) cents
Weighted average number of shares			
Basic and diluted		122,330,255	95,269,437

*The accompanying notes are an integral part of these financial statements.*

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Condensed Consolidated Statement of Cash Flows**  
*(Unaudited)*  
*Expressed in United States Dollars*

		Three month period ended March 31, 2017	Three month period ended March 31, 2016
	Note	\$	\$
<b>Cash flows used in operating activities</b>			
Payments to suppliers and employees		(696,546)	(406,098)
Interest received		382	291
<b>Net cash used in operating activities</b>	9	(696,164)	(405,807)
<b>Cash flows used in investing activities</b>			
Purchase of plant and equipment	4	(9,057)	1,393
Payments for exploration and evaluation		(1,046,320)	(799,786)
Fee received for earn in agreement		803,607	1,211,536
Payments for investment in associates		(237,467)	-
<b>Net cash used in investing activities</b>		(489,237)	413,143
<b>Cash flows from financing activities</b>			
Common shares and warrants issued for cash		1,089,755	-
Payment of share issue costs		(20,429)	-
<b>Net cash generated by financing activities</b>		1,069,326	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		(116,075)	7,336
Net foreign exchange differences		14,772	2,887
Cash and cash equivalents at beginning of the year		1,239,353	1,154,277
<b>Cash and cash equivalents at end of the period</b>		1,138,050	1,164,500

*The accompanying notes are an integral part of these financial statements.*

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Condensed Consolidated Statement of Changes in Equity**  
*(Unaudited)*  
*Expressed in United States Dollars*

	Number of common shares	Share capital (note 6)  \$	Share based payments reserve (note 6(d))  \$	Foreign currency translation reserve  \$	Deficit  \$	Total  \$
<b>Balance at January 1, 2016</b>	<b>95,155,307</b>	<b>38,236,332</b>	<b>2,095,718</b>	<b>(187,811)</b>	<b>(16,942,092)</b>	<b>23,202,147</b>
Loss attributed to shareholders of the Company	-	-	-	-	(572,854)	(572,854)
Exchange differences on translation of foreign operations	-	-	-	(2,387)	-	(2,387)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,387)</b>	<b>(572,854)</b>	<b>(575,241)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Proceeds from share issue	500,000	23,131	-	-	-	23,131
Stock-based compensation expense	-	-	33,947	-	-	33,947
<b>Balance at March 31, 2016</b>	<b>95,655,307</b>	<b>38,259,463</b>	<b>2,129,665</b>	<b>(190,198)</b>	<b>(17,514,946)</b>	<b>22,683,984</b>
<b>Balance at January 1, 2017</b>	<b>121,169,292</b>	<b>40,585,749</b>	<b>2,546,702</b>	<b>(205,789)</b>	<b>(19,435,093)</b>	<b>23,491,569</b>
Loss attributed to shareholders of the Company	-	-	-	-	(532,401)	(532,401)
Exchange differences on translation of foreign operations	-	-	-	(170)	-	(170)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(170)</b>	<b>(532,401)</b>	<b>(532,571)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Proceeds from share issue	7,413,333	1,089,755	-	-	-	1,089,755
Share issuance costs	-	(20,429)	-	-	-	(20,429)
Fair value of share issue ascribed to warrants and recorded as financial liability	-	(297,010)	-	-	-	(297,010)
Stock-based compensation expense (6(d))	-	-	122,028	-	-	122,028
<b>Balance at March 31, 2017</b>	<b>128,582,625</b>	<b>41,358,065</b>	<b>2,668,730</b>	<b>(205,959)</b>	<b>(19,967,494)</b>	<b>23,853,342</b>

*The accompanying notes are an integral part of these financial statements.*



**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Notes to the Condensed Consolidated Financial Statements**  
*(Unaudited)*  
*Expressed in United States Dollars unless otherwise stated*

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## 1. NATURE OF OPERATIONS

Sarama Resources Ltd (the “**Company**”) was incorporated under the laws of the Province of British Columbia, Canada on April 8, 2010.

### *Statement of compliance*

These condensed consolidated interim financial statements have been prepared in United States Dollars.

The board of directors of the Company have approved these condensed consolidated interim financial statements on May 30, 2017.

### *Business Activities*

The consolidated entity, consisting of Sarama Resources Ltd. and its subsidiaries is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties. As at March 31, 2017, the Company is in the process of exploring its principal mineral properties and has not yet determined whether the properties contain gold reserves that are economically recoverable.

The unaudited condensed interim financial statements as at and for the three months ended March 31, 2017 (the “interim financial statements” comprise the accounts of Sarama Resources Ltd and its subsidiaries and the Company’s interest in equity accounted investments

### *Basis of Presentation*

These condensed consolidated financial statements have been prepared under the historical cost convention except for financial assets and liabilities at fair value through profit or loss and in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and Interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”). These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim consolidated financial statements, including International Accounting Standard (“IAS”) 34, “*Interim Financial Reporting*”, and have been prepared following the same accounting policies as the annual consolidated financial statements for the year ended December 31, 2016 except as described in Note 2.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS.

### *Going Concern*

For the period ended March 31, 2017, the consolidated entity recorded a net loss of \$532,401 and had a net cash outflow from operating and investing activities of \$1,185,401. As at March 31, 2017, the consolidated entity had available cash of \$1,138,050 and deficit of current assets over current liabilities of \$617,951.

The Directors have assessed the need to acquire additional funding to continue to operate as a going concern for the foreseeable future. The Directors believe such funding will be obtained and therefore consider it appropriate to prepare the financial report on a going concern basis, which assumes the realisation of the consolidated entity’s assets and the discharge of its liabilities in the normal course of business and at the amounts stated in the condensed consolidated financial statements.

Should additional funding be unable to be obtained, the Directors believe that the Company can remain a going concern by the further reduction of various operating expenditure. However, these circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) *Changes in Accounting Policies*

The Company did not adopt any new accounting standards during the period ended March 31, 2017

### b) *Accounting Standards, Interpretations and Amendments to Existing Standards that are not yet effective*

The following pronouncements issued by the IASB that are not yet mandatorily applicable to the Company together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods are discussed below.

IFRS 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after January 1, 2018) addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2015, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The directors anticipate that the adoption of IFRS 9 will not have a significant impact on the Company's financial statements.

IFRS 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after January 1, 2018) replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The directors anticipate that the adoption of IFRS 15 will not have a significant impact on the Company's financial statements.

IFRS 16: Leases (applicable to annual reporting periods beginning on or after January 1, 2019) introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard are as follows;

- recognition of right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciation of right to use assets in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non lease components and instead account for all component as a lease;

The transitional provisions of IFRS 16 allow a lessee to either retrospectively apply the Standard to comparatives or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors anticipate that the adoption of IFRS 16 will not have a significant impact on the Company's financial statements.

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Notes to the Condensed Consolidated Financial Statements**  
*(Unaudited)*  
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**3. EXPLORATION AND EVALUATION ASSETS**

The schedule below summarises the carrying amounts of acquisition costs and all capitalised exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at March 31, 2017:

	December 31, 2016	Movement 2017	March 31, 2017
	\$	\$	\$
<b>Burkina Faso</b>			
Tankoro (a)			
Acquisition costs	353,097	-	353,097
Exploration expenditure	21,019,099	785,627	21,804,726
Fee received from earn-in arrangement (c)	(6,518,496)	(803,607)	(7,322,103)
<b>Other</b>			
Acquisition costs	2,085,927	-	2,085,927
Exploration expenditure	7,661,555	258,603	7,920,158
Exploration expenditure written off (b)	(1,352,609)	-	(1,352,609)
Fee received from earn-in arrangement (c)	(1,562,372)	-	(1,562,372)
<b>Total Burkina Faso</b>	<b>21,686,201</b>	<b>240,623</b>	<b>21,926,824</b>
<b>Mali</b>			
Acquisition costs	69,106	-	69,106
Exploration expenditure	2,079,203	2,090	2,081,293
Exploration expenditure written off	(1,482,966)	-	(1,482,966)
<b>Total Mali</b>	<b>665,343</b>	<b>2,090</b>	<b>667,433</b>
<b>Total</b>	<b>22,351,544</b>	<b>242,713</b>	<b>22,594,257</b>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

*a. Tankoro Permit, Burkina Faso*

In early 2011, a subsidiary of the Company entered into an option agreement to acquire the Tankoro permit (“the Property”). The subsidiary had the right to earn up to a 100% interest with a trailing 1.5% Net Smelter Return (“NSR”) royalty, which the subsidiary had an option to acquire for \$1 million at any time after it had taken ownership of the permit. On November 2, 2012, the subsidiary exercised its option to acquire ownership of the Tankoro permit. Pursuant to the agreement with the vendor, the vendor retains the right to a 1.5% NSR for any future mineral production from the Property. The subsidiary retains the right to acquire the NSR for \$1 million at any time. On March 23, 2013, the Burkina Faso Ministry of Mines and Energy issued the exploration permit. The current term expires December 17, 2017 with the ability to extend for a further three year term by application to the Ministry of Mines and Energy.

The Company is responsible for ongoing annual expenditure commitments of \$146,524 required by the Government of Burkina Faso.

*b. Fee received from earn-in agreement*

During the quarter the Company received fees of \$803,607 as part of an earn-in agreement (the “Agreement”) with Acacia Mining plc entered into in December 2014. In accordance with the Company’s accounting policy, the fee has been allocated to the carrying value of each permit on the basis of each permits carrying value when compared to the total carrying value of the seven permits subject to the Agreement.

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Notes to the Condensed Consolidated Financial Statements**  
*(Unaudited)*  
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**4. PLANT AND EQUIPMENT**

	<b>March 31, 2017</b>			
	<b>Plant and Equipment \$</b>	<b>Motor Vehicles \$</b>	<b>Office Equipment \$</b>	<b>Total \$</b>
Opening Net Book Value	172,477	76,127	131,131	379,735
Additions	2,687		6,693	9,380
Disposals				
Depreciation	(6,901)	(721)	(4,169)	(11,791)
<b>Closing Net Book Value</b>	<b>168,263</b>	<b>75,406</b>	<b>133,655</b>	<b>377,324</b>
Opening Cost	345,712	273,177	333,850	952,739
Accumulated Depreciation	(177,449)	(197,771)	(200,195)	(575,415)
<b>Closing Net Book Value</b>	<b>168,263</b>	<b>75,406</b>	<b>133,655</b>	<b>377,324</b>

	<b>December 31, 2016</b>			
	<b>Plant and Equipment \$</b>	<b>Motor Vehicles \$</b>	<b>Office Equipment \$</b>	<b>Total \$</b>
Opening net book value	200,600	89,045	126,433	416,078
Additions	3,437	-	20,922	24,359
Disposals	-	(10,767)	-	(10,767)
Depreciation	(31,560)	(2,151)	(16,224)	(49,935)
<b>Closing net book value</b>	<b>172,477</b>	<b>76,127</b>	<b>131,131</b>	<b>379,735</b>
Cost	343,025	273,177	327,157	943,359
Accumulated Depreciation	(170,548)	(197,050)	(196,026)	(563,624)
<b>Closing Net Book Value</b>	<b>172,477</b>	<b>76,127</b>	<b>131,131</b>	<b>379,735</b>

**5. INVESTMENT IN ASSOCIATE**

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
	<b>\$</b>	<b>\$</b>
Karankasso Project Joint Venture – at cost	1,476,581	1,239,114

**Sarama Resources Ltd**  
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**Notes to the Condensed Consolidated Financial Statements**  
*(Unaudited)*  
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**6. SHARE CAPITAL**

*(a) Authorised Share Capital*

At March 31, 2017, the authorised share capital comprised an unlimited number of common shares without par value.

*(b) Issued Share Capital*

	<b>Capital Stock</b>	
	<b>Number</b>	<b>\$</b>
<b>Balance, December 31, 2016</b>	121,169,292	40,585,749
Shares issued during the period ended 31 March 2017	7,413,333	772,316
<b>Balance March 31, 2017</b>	<b>128,582,625</b>	<b>41,358,065</b>

*Details of issues of common shares*

On February 16, 2017 The Company introduced an incentive program designed to encourage the early exercise of up to 10,361,183 warrants originally issued between May 30 and July 4, 2014 and exercisable at C\$0.20. As an incentive to exercise early the Company offered one half of one warrant exercisable until March 17, 2019 at a price of C\$0.35 to those warrant holders who exercised their original warrants prior to March 17, 2017. Upon completion of the incentive program, an aggregate of 7,263,333 warrants had been exercised, resulting in gross proceeds to the Company of C\$1,452,666.60. In connection with the incentive program, the Company issued an aggregate of 3,615,040 incentive warrants, exercisable until March 17, 2019 at a price of C\$0.35

On February 17, 2017, 50,000 warrants issued in June 2016, exercisable at C\$0.20 and expiring June 2018, were exercised for total proceeds of C\$10,000

On March 24, 2017, 100,000 options, exercisable at C\$0.10, were exercised for total proceeds of C\$10,000

*(c) Company Stock Option Plan*

The Company has a stock option plan (the “**Plan**”) that provides for the issuance of up to 10% of the issued and outstanding shares of the Company. The board of directors is authorised to set the exercise price, expiry date, and vesting provisions for each grant, subject to the policies of the TSX Venture Exchange. The plan provides for a maximum grant period of ten years. Options can be exercised at any time prior to their expiry date.

Details are as follows:

<b>Grant Date</b>	<b>No.</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
January 31, 2013 (fully vested)	927,500	0.80	January 31, 2018
December 14, 2014 (fully vested)	300,000	0.10	December 30, 2017
January 5, 2015 (fully vested)	2,080,000	0.10	January 5, 2018
February 26, 2016 (fully vested)	1,445,000	0.10	February 26, 2019
January 5, 2017 (partially vested)	4,995,000	0.10	January 5, 2019
	<b>9,747,500</b>		

100,000 options have been exercised in the three month period ended March 31, 2017 (period ended March 31, 2016: Nil).

*(d) Stock-Based Compensation*

For the period ended March 31, 2017, the expense incurred relating to stock-based compensation was \$122,028 (2016: \$33,947).

**Sarama Resources Ltd**  
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**Notes to the Condensed Consolidated Financial Statements**  
*(Unaudited)*  
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For the quarter ended March 31, 2017, the Company granted stock options to its directors, officers, employees and consultants and estimated the stock based compensation as follows:

	<b>January 5, 2017</b>
Total options granted	4,995,000
Exercise price	C\$0.20
Estimated fair value of compensation recognised	\$287,806
Balance to be recognised over remaining vesting period	\$165,778
Estimated fair value per option	\$0.02

The fair value of the stock-based compensation recognised in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following assumptions:

	<b>January 5, 2017</b>
Risk-free interest rate	0.74%
Expected dividend yield	0%
Expected stock price volatility	105%
Expected option life in years	3 years

The share price volatility is based on historical data and reflects the assumption that historical volatility over a period similar to the life of the option is indicative of future trends, which may not necessarily be indicative of exercise patterns that may occur.

*(e) Warrants*

The Company has issued warrants as part of its capital raising programs. The details of all warrants still on issue are detailed below.

<b>Warrant issue</b>	<b>Total Warrants Issued</b>	<b>Exercise Price (C\$)</b>	<b>Estimated fair value of warrants (i)</b>	<b>Estimated fair value per warrant</b>
Shareholder Warrants issued between May 30, 2015 and July 4, 2015	3,097,850	\$0.20	121,800	\$0.13
Shareholder Warrants issued December 22, 2015	4,001,524	\$0.15	392,346	\$0.05
Shareholder Warrants issued June 24 and June 30, 2016	7,789,493	\$0.20	594,344	\$0.10
Shareholder Warrants issued March 17, 2017	3,615,040	\$0.35	297,009	\$0.09
	<b>18,503,907</b>		<b>1,405,499</b>	<b>\$0.07</b>
Broker Warrants issued June 24 and June 30, 2016	501,900	\$0.15	25,753	\$0.05
Acquisition Warrants issued December 12, 2016	3,000,000	\$0.19	225,861	\$0.08
Acquisition Warrants issued December 12, 2016	2,000,000	\$0.24	167,196	\$0.08
	<b>5,501,900</b>		<b>418,810</b>	<b>\$0.08</b>
<b>Total</b>	<b>24,005,807</b>		<b>1,824,309</b>	<b>\$0.08</b>

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The fair value of shareholder warrants are recognised as a financial liability in the financial statements in accordance with IAS 32.

The fair value of broker and acquisition warrants are recognised within share based payments reserve, within the equity section of the financial statements, in accordance with IFRS 2.

7,313,000 shareholder warrants were exercised during the period at C\$0.20 per warrant

- (i) The fair value of the warrants recognised in the financial statements has been estimated using the Black-Scholes Option-Pricing Model at inception with the following assumptions:

<b>Warrant issue</b>	<b>Risk – free interest rate</b>	<b>Expected dividend yield</b>	<b>Expected stock price volatility</b>	<b>Remaining warrant life</b>
Shareholder Warrants issued between May 30, 2015 and July 4, 2015	0.52%	0%	105%	3 months
Shareholder Warrants issued December 22, 2015	0.52%	0%	105%	21 months
Shareholder Warrants issued June 30, 2016	0.52%	0%	105%	15 months
Broker Warrants issued June 30, 2016	0.52%	0%	105%	9 months
Acquisition Warrants issued December 12, 2016	0.74%	0%	105%	21 months
Acquisition Warrants issued December 12, 2016	0.74%	0%	105%	33 months
Acquisition Warrants issued March 17, 2017	0.75%	0%	105%	24 months

Changes in the fair value of the Shareholder Warrants recognised as financial liability are as follows:

	<b>\$</b>
Fair value at December 31, 2016	996,618
Fair value ascribed to new warrants issued as incentive for early exercise of 2014 warrants (refer 6(b))	297,010
Fair value (loss) on warrants carried at fair value through profit or loss	111,871
Fair value at March 31, 2017	<b>1,405,499</b>

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**7. SEGMENT REPORTING**

The Company consider the Board of Directors to be the chief decision maker.

The Company has one business segment, being the acquisition, exploration and potential development of mineral properties. The Company has operations in two geographic areas, being Burkina Faso and Mali.

<b>Non-current Assets</b>	<b>March 31, 2017</b>			
	<b>Burkina Faso</b>	<b>Mali</b>	<b>Other</b>	<b>Total</b>
	\$	\$	\$	\$
Exploration and evaluation assets	21,926,824	667,433	-	22,594,257
Plant and equipment	368,623	-	8,701	377,324
Investment in Associate	1,476,581	-	-	1,476,581
Royalty	-	-	23,131	23,131
<b>Total non – current assets</b>	<b>23,772,028</b>	<b>667,433</b>	<b>31,832</b>	<b>24,471,293</b>

<b>Non-current Assets</b>	<b>March 31, 2016</b>			
	<b>Burkina Faso</b>	<b>Mali</b>	<b>Other</b>	<b>Total</b>
	\$	\$	\$	\$
Exploration and evaluation assets	20,180,579	639,607	-	20,820,186
Plant and equipment	353,355	-	64,116	417,471
Investment in Associate	905,723	-	-	905,723
Royalty	-	-	23,131	23,131
<b>Total non – current assets</b>	<b>21,439,657</b>	<b>639,607</b>	<b>87,247</b>	<b>22,166,511</b>

<b>Loss</b>	<b>March 31, 2017</b>			
	<b>Burkina Faso</b>	<b>Mali</b>	<b>Other</b>	<b>Total</b>
	\$	\$	\$	\$
Loss for the period from continuing operations	-	-	532,401	532,401
Loss for the period from discontinuing operations	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>532,401</b>	<b>532,401</b>

<b>Loss</b>	<b>March 31, 2016</b>			
	<b>Burkina Faso</b>	<b>Mali</b>	<b>Other</b>	<b>Total</b>
	\$	\$	\$	\$
Loss for the period from continuing operations	-	-	509,418	509,418
Loss for the period from discontinuing operations	-	-	63,436	63,436
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>572,854</b>	<b>572,854</b>



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**8. BASIC AND DILUTED LOSS PER SHARE**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>Cents per share</b>	<b>Cents per share</b>
Basic and diluted loss per share		
- Continuing operations	(0.4)	(0.5)
- Discontinuing operations	-	(0.1)
	<b>\$</b>	<b>\$</b>
Net loss used in calculating basic/diluted loss per share		
- Continuing operations	532,401	509,418
- Discontinuing operations		63,436
	<u>532,401</u>	<u>572,854</u>
Weighted average number of shares on issue during the financial period used in the calculation of basic loss income per share	122,330,255	95,269,437

Diluted loss per share as at March 31, 2017 is the same as basic loss per share as it is unlikely that the warrants will be converted into common shares.

**9. NOTES TO THE CASH FLOW STATEMENT**

Reconciliation of loss after tax to net cash flows from operations

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>\$</b>	<b>\$</b>
Loss for the period	(532,401)	(572,854)
Depreciation	2,732	3,630
Loss from discontinued operations	-	63,436
Gain on revaluation of available-for-sale financial assets	-	(46,058)
Stock-based compensation	122,028	33,947
Fair value loss on warrants	111,871	137,918
Net exchange and translation differences (gain)/loss	(31,373)	(6,558)
Net cash outflows used in operating activities before change in working capital	<u>(327,143)</u>	<u>(386,539)</u>
Change in working capital	(369,021)	(19,268)
Net cash outflows used in operating activities	<u>(696,164)</u>	<u>(405,807)</u>