SRG GRAPHITE INC.

Interim condensed financial statements (unaudited)

For the three-month periods ended March 31, 2018 and 2017

(Expressed in Canadian dollars)

TSX-V: SRG

SRG GRAPHITE INC.

INTERIM CONDENSED FINANCIAL STATEMENTS

Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements of SRG Graphite Inc. (the "Company") for the three-month periods ended on March 31, 2018 and 2017 have been prepared by the management and are its responsibility. These unaudited interim condensed consolidated financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed consolidated financial statements have not been reviewed by the Company's auditors.

SRG GRAPHITE INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	Notes	(Unaudited - in Canadian dollars) March 31, 2018	December 31, 2017
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		1,675,082	3,251,456
Accounts receivable		1,584	-
Sales taxes receivable		154,829	69,827
Prepaid expenses and deposits		5,601	10,865
Deferred transaction costs		14,356	-
		1,851,452	3,332,148
Non-current assets			
Deposit on property and equipment		140,663	110,078
Deposit on exploration and evaluation assets		224,768	47,907
Property and equipment		234,601	75,135
Exploration and evaluation assets	5	3,655,203	2,635,255
		4,255,235	2,868,375
Total assets		6,106,687	6,200,523
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities		776,796	557,032
Due to a related company, without interest, due on demand		44,426	16,418
Total liabilities		821,222	573,450
SHAREHOLDERS' EQUITY			
Capital	6	7,219,432	7,044,172
Contributed surplus	7	3,255,411	3,050,139
Deficit		(5,189,378)	(4,467,238)
Total shareholders' equity		5,285,465	5,627,073
Total liabilities and shareholders' equity		6,106,687	6,200,523

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

On behalf of the Board of Directors,

Signed: ***"Marc Filion"*** **, Director**

Signed: ***"Benoit La Salle"*** **, Director**

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

SRG GRAPHITE INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three-month periods ended on **(unaudited - in Canadian dollars)**

	Notes	March 31, 2018	March 31, 2017
		$	$
Operating expenses			
Salaries and benefits		110,631	-
Consulting fees		144,807	72,329
Travel and representation		93,674	37,578
General and office expenses		57,309	23,060
Natural graphite production for customers and tests		59,601	-
Professional fees		47,079	15,035
Investor relations fees		15,000	29,000
Transfert agent and filing fees		8,531	3,460
Shareholders' information		3,580	2,737
Depreciation		465	487
Stock-based compensation	7	208,624	424,407
Total operating expenses		749,301	608,093
Other expenses (income)			
Interest revenue		(4,595)	-
Foreign exchange loss (gain)		(22,566)	16,396
Total other expenses (income)		(27,161)	16,396
Net loss and comprehensive loss for the period		722,140	624,489
Net loss per common share, basic and diluted		0.01	0.01
Weighted average number of common shares outstanding		61,439,813	50,640,052

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

SRG GRAPHITE INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month periods ended on March 31, 2018 and 2017 **(unaudited - in Canadian dollars)**

	Notes	Capital		Contributed surplus	Deficit	Total
		Number	$	$	$	$
Balance on January 1st, 2017		50,154,719	2,518,176	1,868,280	(2,084,652)	2,301,804
Exercise of stock options	6	620,000	74,355	(43,355)	-	31,000
Exercise of warrants	6	108,000	19,418	(3,218)	-	16,200
Stock-based compensation	7	-	-	424,407	-	424,407
Net loss and comprehensive loss		-	-	-	(624,489)	(624,489)
Balance on March 31, 2017		50,882,719	2,611,949	2,246,114	(2,709,141)	2,148,922
Balance on January 1st, 2018		61,279,719	7,044,172	3,050,139	(4,467,238)	5,627,073
Exercise of stock options	6 and 7	225,000	175,260	(79,635)	-	95,625
Stock-based compensation	7	-	-	284,907	-	284,907
Net loss and comprehensive loss		-	-	-	(722,140)	(722,140)
Balance on March 31, 2018		61,504,719	7,219,432	3,255,411	(5,189,378)	5,285,465

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

SRG GRAPHITE INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month periods ended on **(Unaudited - in Canadian dollars)**

	Notes	March 31, 2018	March 31, 2017
		$	$
CASH PROVIDED FROM (USED FOR):			
OPERATING ACTIVITIES			
Net loss for the period		(722,140)	(624,489)
Items not affecting cash			
Depreciation		465	487
Stock-based compensation	7	208,624	424,407
		(513,051)	(199,595)
Change in non-cash working capital items			
Accounts receivable		(1,584)	-
Sales taxes receivable		(85,002)	(73,830)
Prepaid expenses and deposits		5,264	(176,993)
Accounts payables and accrued liabilities		107,289	(189,445)
		25,967	(440,268)
		(487,084)	(639,863)
INVESTING ACTIVITIES			
Deposit on property and equipment		(30,585)	-
Deposit on exploration and evaluation assets		(176,861)	-
Property and equipment additions	7 and 12	(197,843)	(4,624)
Exploration and evaluation expenditures	8 and 12	(793,278)	(304,923)
		(1,198,567)	(309,547)
FINANCING ACTIVITIES			
Exercise of warrants	9	-	16,200
Exercise of stock options	9 and 10	95,625	31,000
Share issuance costs		(14,356)	-
Due to the major shareholder		-	(267,590)
Due to a related company		28,008	(52,774)
		109,277	(273,164)
Decrease in cash during the period		(1,576,374)	(1,222,574)
Cash and cash equivalents, beginning of period		3,251,456	2,263,162
Cash and cash equivalents, end of period		1,675,082	1,040,588

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

NOTE 1. NATURE OF OPERATIONS AND GOING CONCERN

SRG Graphite Inc. ("SRG" or the "Company") is a Canadian-based mineral exploration and development business with activities in Africa. The Company was incorporated on April 16, 1996 under the Canada Business Corporations Act. The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "SRG.V". The Company's principal office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8. Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete exploration and development programs and, ultimately, upon future profitable production.

These interim condensed consolidated financial statements were authorized for publication by the Board of Directors on May 24, 2018.

The Company's exploration and evaluation assets are located in the Republic of Guinea ("Guinea"), Africa, and hence are subject to the risks normally associated with unanticipated changes in taxes and royalties, renegotiation of contracts, foreign currency fluctuations and political uncertainties.

Going concern uncertainty

These consolidated financial statements have been prepared on a going concern basis, which presumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. The Company has incurred a net loss and comprehensive loss for the three-month period ended March 31, 2018 of $722,140 (for year ended December 31, 2017 – $2,382,586) and has an accumulated deficit of $5,189,378 (December 31, 2017 – $4,467,238). In addition, the Company had working capital of $1,030,230 as at March 31, 2018 (December 31, 2017 – $2,758,698), including cash and cash equivalents of $1,675,082 (December 31, 2017 – $3,251,456). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company's ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company's discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly.

On May 18, 2018, as described in Note 12, the Company closed its marketed public offering by issuing 5,334,000 units of the Company at a price of $1.50 per unit for gross proceeds of $8,001,000. Each unit comprises one common share of the Company and one common share purchase warrant of the Company. Each warrant will entitle the holder thereof to acquire one additional common share of the Company at an exercise price of $2.30 per common share at any time for a period of 12 months. In addition, the Company has completed a concurrent non-brokered private placement with Coris Capital SA, pursuant to which Coris subscribed for 1,333,333 units, which were issued on the same terms and conditions as those issued in the offering, for total proceeds of $2,000,000.

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, 12 months from the end of the reporting period. Management has assessed its liquidity needs and determined that the funds following the closing of the above financing would be sufficient to meet the Company's current obligations and budgeted expenditures for the next 12 months. However, based on the anticipated exploration program to further develop the Lola Graphite prospect, the Company will have to raise additional financing in the next 12-15 months. 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 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 in the future, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these consolidated financial statements.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

As at March 31, 2018 and 2017 and December 31, 2017 (Unaudited - in Canadian dollars)

NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim statements, including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

The accounting policies followed in these interim condensed consolidated financial statements are consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2017. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2017 which have been prepared according to IFRS as issued by the IASB.

The Company reviewed the classification of its expenses. Management believes that this new classification provides a clearer picture of the Company'soperations. Comparative periods have been presented accordingly. There is no other effect of this change in presentation.

Basis of measurement

These interim condensed financial statements have been prepared on a historical cost basis. In addition, these interim condensed financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

In addition to the Company, the interim condensed consolidated financial statements include all subsidiaries. Subsidiaries are all companies over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

		March 31, 2018	December 31, 2017
Subsidiaries	Jurisdiction of incorporation	% of ownership	% of ownership
Sama Resources Guinee SARL ("SRG Guinee")	Guinea	100%	100%
SRG Graphite International Inc. ("SRG Intl")	Cayman Island	100%	100%

NOTE 4. CHANGES IN ACCOUNTING POLICIES

Accounting standards and interpretations issued and in effect

IFRS 9 – Financial instruments, classification and measurement

In July 2014, the IASB issued IFRS 9 – Financial Instruments. The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 – Financial Instruments: Recognition and Measurement.

NOTE 4. CHANGES IN ACCOUNTING POLICIES (Continued)

This standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability and own credit. The standard introduces a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognized and it lowers the threshold for recognition of full lifetime expected losses. The new standard also introduces a substantially-reformed model for hedge accounting with enhanced disclosures about risk management activity and aligns hedge accounting more closely with risk management. The new standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The adoption of IFRS 9 had no impact on the Company's financial statements.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration
In 2016, the IASB issued IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22"), which provides requirements about which exchange rate to use when recognizing revenue in circumstances where an entity has received advance consideration in a foreign currency. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. On initial application, entities have the option to apply either retrospectively or prospectively. The adoption of IFRIC 22 had no impact on the Company's financial statements.

IFRS 2 – Share-based Payment
In 2016, the IASB issued the final amendments to IFRS 2 Share-based Payment ("IFRS 2") in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice in three main areas: the effects of vesting conditions on the measurement of cash-settled share-based payments; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The amendments are to be applied prospectively. However, retrospective application is permitted if elected for all three amendments and other criteria are met. The adoption of IFRS 2 had no impact on the Company's financial statements.

Accounting standards and interpretations issued but not yet adopted

IFRS 16 - Leases
In January 2016, the IASB issued IFRS 16, Leases, which eliminates the classification of leases as either operating or finance leases for a lessee. Under IFRS 16, all leases are considered finance leases and will be recorded on the balance sheet. The only exemptions to this classification will be for leases that are 12 months or less in duration or for leases of low-value assets. The requirement to record all leases as finance leases under IFRS 16 will increase lease assets and lease liabilities on an entity's financial statements. IFRS 16 will also change the nature of expenses relating to leases as the straight-line lease expense previously recognized for operating leases will be replaced with depreciation expense for lease assets and finance expense for lease liabilities. IFRS 16 includes an overall disclosure objective and requires a company to disclose (a) information about lease assets and expenses and cash flows related to leases; (b) a maturity analysis of lease liabilities; and (c) any additional company-specific information that is relevant to satisfying the disclosure objective. IFRS 16 is effective from January 1, 2019 with early application permitted in certain circumstances. The extent of the impact of adoption of IFRS 16 has not yet been determined.

As at March 31, 2018 and 2017 and December 31, 2017 (Unaudited - in Canadian dollars)

NOTE 5. EXPLORATION AND EVALUATION ASSETS

Lola Graphite Property

SRG Guinee owns four licenses to explore a combined 187 square kilometers of property in eastern Guinea. SRG Guinee has agreed to complete an exploration program of GNF 9,361,376,000 (approximately $1,350,088 as at March 31, 2018) by August 29, 2018. The Lola Graphite Property is 100% owned by SRG Guinee.

The following table shows the exploration and evaluation ("E&E") expenditures by property.

	December 31, 2016	Activity	December 31, 2017	Activity	March 31, 2018
	$	$	$	$	$
Lola Graphite Property					
Geology and prospecting	113,026	230,869	343,895	51,633	395,528
Geophysics	10,164	41,665	51,829	26,491	78,320
Geochemistry	12,140	139,353	151,493	108,622	260,115
Drilling	24,674	423,145	447,819	494,456	942,275
Metallurgical tests	13,174	199,188	212,362	-	212,362
Environmental study	-	185,010	185,010	28,786	213,796
Engineering study	-	243,538	243,538	98,964	342,502
Camp operations, field supplies and other expenses	480,177	351,837	832,014	134,713	966,727
Stock-based compensation	-	167,295	167,295	76,283	243,578
Total E&E assets	653,355	1,981,900	2,635,255	1,019,948	3,655,203

NOTE 6. SHARE CAPITAL

Authorized

Unlimited number of voting common shares without par value.

Transactions on share capital

2017

On January 31, 2017, a total of 108,000 warrants were exercised at a price of $0.15 per warrant for total proceeds of $16,200 and 620,000 stock options were exercised at a price of $0.05 per stock option for total proceeds of $31,000.

2018

During the first quarter ended March 31, 2018, a total of 125,000 stock options were exercised at a price of $0.365 per stock option and 100,000 stock options were exercised at a price of $0.50 per stock option for total proceeds of $95,625.

As at March 31, 2018 and 2017 and December 31, 2017 (Unaudited - in Canadian dollars)

NOTE 6. SHARE CAPITAL (Continued)

Warrants

The following table shows the changes in warrants:

		March 31, 2018		December 31, 2017
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Outstanding, beginning of period	1,125,000	0.50	180,000	0.15
Issued	-	-	3,750,000	0.50
Exercised	-	-	(2,805,000)	0.48
Outstanding and exercisable, end of period	1,125,000	0.50	1,125,000	0.50

These warrants are expiring on October 24, 2019.

NOTE 7. STOCK OPTIONS

The Company has a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of each option ("Option") shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V and, in any event, the exercise price per Option will not be less than $0.05, being the minimum exercise price allowable under TSX-V policy.

The following table shows the changes in stock options:

		March 31, 2018		December 31, 2017
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
		$		$
Outstanding, beginning of period	4,233,000	0.45	620,000	0.05
Granted	135,000	1.72	4,633,000	0.44
Exercised	(225,000)	0.43	(820,000)	0.13
Expired	-	-	(100,000)	0.37
Forfeited	-	-	(100,000)	0.37
Outstanding, end of period	4,143,000	0.49	4,233,000	0.45
Exercisable, end of period	2,639,750	0.42	1,935,250	0.42

Weighted average share price at the date of exercise was $1.96 (for the year ended December 31, 2017 – $0.74).

As at March 31, 2018 and 2017 and December 31, 2017 (Unaudited - in Canadian dollars)

NOTE 7. STOCK OPTIONS (Continued)

The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

		March 31, 2018		December 31, 2017	
Expiry date	Exercise price	Number outstanding	Number exercisable	Number outstanding	Number exercisable
	$				
June 21, 2022	0.41	200,000	100,000	200,000	100,000
February 20, 2027	0.365	3,258,000	2,362,250	3,383,000	1,591,500
March 31, 2027	0.50	100,000	-	200,000	100,000
April 25, 2027	0.50	100,000	50,000	100,000	50,000
June 14, 2027	0.36	25,000	12,500	25,000	12,500
November 22, 2027	1.30	325,000	81,250	325,000	81,250
January 14, 2028	1.72	135,000	33,750	-	-
		4,143,000	2,639,750	4,233,000	1,935,250

The fair value of stock options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	March 31, 2018	December 31, 2017
Weighted average price at the grant date	1.72 $	0.44 $
Weighted average exercise price	1.72 $	0.44 $
Expected dividend	- $	- $
Expected average volatility	98 %	98 %
Risk-free average interest rate	2.19 %	1.65 %
Expected average life	10 years	9.44 years
Weighted fair value per stock option	1.53 $	0.38 $

Given the limited trading history of the Company's common shares, the expected volatility was determined by reference to historical data of comparable mining exploration companies' share on over the expected average life of the stock options.

An expense for stock-based compensation of $284,907 was recognized during the three-month period ended March 31, 2018 (for the three-month period ended March 31, 2017 – $424,407). An amount of $208,624 (for the three-month period ended March 31, 2017 – $424,407) was recognized in the interim condensed consolidated statement of loss and comprehensive loss and $76,283 (for the three-month period ended March 31, 2017 – nil) was capitalized to the exploration and evaluation assets.

As at March 31, 2018 and 2017 and December 31, 2017 (Unaudited - in Canadian dollars)

NOTE 8. ADDITIONAL CASH FLOW INFORMATION

The following significant non-cash transactions have been excluded from the consolidated statements of cash flows:

	March 31, 2018	March 31, 2017
	$	$
Depreciation included in E&E assets	18,087	1,209
Stock-based compensation included in E&E assets	76,283	-
Change in accounts payable and accrued liabilities included in E&E assets	132,300	4,465
Change in accounts payable and accrued liabilities included in PP&E assets	(19,825)	-

NOTE 9. RELATED PARTIES

Related parties include the Company's key management personnel and related companies. Unless otherwise stated, balances are usually settled in cash.

Key management personnel are the members of the Board of Directors, the President, the Vice-president Corporate and legal affaires and the Chief Financial Officer ("CFO"). The remuneration of key management personnel includes the following:

Transactions with key management personnel:
During the three-month period ended March 31, 2018, the Company incurred fees of $18,000 (for the three-month period ended March 31, 2017 – $10,200) with the CFO. These fees are recorded under professional fees in the interim condensed consolidated statement of loss and comprehensive loss. As at March 31, 2018 and 2017, no amount is due to the CFO.

During the three-month period ended March 31, 2018, the Company incurred fees of $6,000 (for the three-month period ended March 31, 2017 – $4,500) with an officer. These fees are recorded under professional fees in the interim condensed consolidated statement of loss and comprehensive loss. As at March 31, 2018 and 2017, no amount was due to the officer.

During the three-month period ended March 31, 2018, the Company incurred fees of $15,000 (for the three-month period ended March 31, 2017 – $46,251) with a corporation controlled by a director. An amount of $15,000 was recorded under consulting fees (for the three-month period ended March 31, 2017 – $9,250) in the interim condensed consolidated statement of loss and comprehensive loss and nil (for the three-month period ended March 31, 2017 – $37,001) have been capitalized to the Company's E&E assets. As at March 31, 2018, $15,000 (March 31, 2017 – nil) is due to that corporation. This amount is included in accounts payable and accrued liabilities.

During the three-month period ended March 31, 2018, the Company incurred fees of $20,250 (for the three-month period ended March 31, 2017 – nil) with the Vice-president Corporate and legal affairs. These fees are recorded under professional fees in the interim condensed consolidated statement of loss and comprehensive loss. As at March 31, 2018 and 2017, no amount was due to the officer.

During the three-month period ended March 31, 2018, the Company recognized a stock-based compensation of $135,756 (for the three-month period ended March 31, 2017 – $212,391) in connection with stock options granted to officers and directors solely, which was recognized in the consolidated statement of loss and comprehensive loss.

As at March 31, 2018 and 2017 and December 31, 2017 (Unaudited - in Canadian dollars)

NOTE 9. RELATED PARTIES (Continued)

Transactions with related parties

During the three-month period ended March 31, 2018, the Company incurred fees of $28,104 (for the three-month period ended March 31, 2017 – nil) with a corporation where the Company's Executive Chairman is also a shareholder of that corporation. An amount of $18,750 was recorded under consulting fees and $9,354 under general and office expenses in the interim condensed consolidated statement of loss and comprehensive loss. As at March 31, 2018, $3,500 (March 31, 2017 – nil) is due to that corporation. This amount is included in accounts payable and accrued liabilities.

During the three-month period ended March 31, 2018, a corporation where the Company's Executive Chairman is also the President and Chief Executive Officer, charged a total amount of $15,808 (for the three-month period ended March 31, 2017 – nil) to the Company. This amount was capitalized to the Company's E&E assets. These fees were for technical services which were rendered by a consultant of that corporation. As at March 31, 2018 and 2017, no amount is due to that corporation.

As of March 31, 2018, the related company, a subsidiary of Sama Resources Inc., advanced a total amount of $44,426 (December 31, 2017 – $16,418). This advance is non-interest bearing, unsecured and due on demand.

NOTE 10. COMMITMENTS

The Company has operating lease commitments for office premises in Guinea, Africa, expiring until May 31, 2019, which will call for total payments of GNF 167,500,000 (approximately $24,157 at March 31, 2018: $18,712 in 2018 and $5,445 in 2019).

The Company has an operating lease commitment for office premises in Montreal, Quebec, Canada, expiring in December 2018, which will call for total payments of $28,062 in 2018.

The Company has entered into consulting agreements expiring until August 2018 which will call for total payments of $52,800 in 2018.

Minimum annual payments relating to the above commitments in each of the next two fiscal years are as follows:

	$
2018	99,574
2019	5,445
	105,019

The Company has also entered into consulting agreements with key management personnel for total annual payments of $416,000. Some of the consulting agreements contain termination without cause and change of control provisions. Assuming that these agreements would be terminated without cause during the year ended December 31, 2018, the total amount payable to key management personnel in respect of severance would amount to $894,500. If a change of control would occur during the year December 31, 2018, the total amount payable in respect of severance, if elected by key management personnel would amount to $894,500.

NOTE 11. OPERATING SEGMENT

The Company operates in one reportable business segment: the exploration and evaluation of mineral properties. As at March 31, 2018 and December 31, 2017, the Company's non-current assets are all located in the one geographic area which is Guinea, Africa.

NOTE 12. SUBSEQUENT EVENTS

In April 2018, the Company signed a lease agreement to have access to a land to be used for the construction of the laboratory, expiring in March 2024, which will call for total payments of GNF 71,000,000 (approximately $10,240 at March 31, 2018: $1,154 in 2018, $1,731 in 2019, 2020, 2021, 2022 and 2023 and $433 in 2024).

On May 18, 2018, the Company closed its marketed public offering by issuing 5,334,000 units of the Company at a price of $1.50 per unit for gross proceeds of $8,001,000. Each unit comprises one common share of the Company and one common share purchase warrant of the Company. Each warrant will entitle the holder thereof to acquire one additional common share of the Company at an exercise price of $2.30 per common share at any time for a period of 12 months.

In connection with the offering, the Company paid to the underwriters a cash fee of $480,060 and issued 320,040 broker warrants, with each such broker warrant entitling the holder thereof to acquire one common share of the Company at an exercise price of $1.50 for a period of 12 months.

The Company has granted the underwriters an overallotment option to purchase up to an additional 15% of the units sold pursuant to the offering, exercisable (in whole or in part) at any time for a period of 30 days. The overallotment option may be exercised for units, warrants or a combination thereof.

In addition, the Company has completed a concurrent non-brokered private placement with Coris Capital SA, pursuant to which Coris subscribed for 1,333,333 units, which were issued on the same terms and conditions as those issued in the offering, for total proceeds of $2,000,000.