



SRG GRAPHITE INC.
(Formerly Sama Graphite Inc.)

Interim condensed consolidated financial statements (unaudited)
For the three-month and nine-month periods ended on September 30, 2017 and 2016

TSX-V: SRG

SRG GRAPHITE INC.

(Formerly Sama Graphite Inc.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements of SRG Graphite Inc. (the "Company") for the three-month and nine-month periods ended on September 30, 2017 and 2016 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.

(Formerly Sama Graphite Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	Notes	(Unaudited - in Canadian dollars)	
		September 30, 2017	December 31, 2016
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		2,862,033	2,263,162
Taxes receivable		32,491	4,493
Prepaid expenses and deposits		186,512	4,036
		<u>3,081,036</u>	<u>2,271,691</u>
Non-current assets			
Property and equipment		77,107	24,276
Exploration and evaluation assets	3	1,715,905	653,355
		<u>1,793,012</u>	<u>677,631</u>
Total assets		<u>4,874,048</u>	<u>2,949,322</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		113,148	264,722
Due to the major shareholder, without interest, due on demand		-	267,590
Due to a related company, without interest due on demand		65,846	115,206
		<u>178,994</u>	<u>647,518</u>
Total liabilities		<u>178,994</u>	<u>647,518</u>
SHAREHOLDER EQUITY			
Capital	4	4,696,477	2,518,176
Shares to be issued	4	900,000	-
Contributed surplus	5	2,855,541	1,868,280
Deficit		(3,756,964)	(2,084,652)
Total shareholders' equity		<u>4,695,054</u>	<u>2,301,804</u>
Total liabilities and shareholders' equity		<u>4,874,048</u>	<u>2,949,322</u>

Nature of operations and liquidity risk (Note 1)

Subsequent event (Note 10)

On behalf of the Board of Directors,

Signed: "Marc Filion", Director

Signed: "Marc-Antoine Audet", Director

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

SRG GRAPHITE INC.

(Formerly Sama Graphite Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three-month and nine-month periods ended on

(Unaudited - in Canadian dollars)

	Notes	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (9 months)	September 30, 2016 (9 months)
		\$	\$	\$	\$
Operating expenses					
Depreciation		302	373	1,370	1,093
Consulting fees		60,639	-	128,047	-
Audit fees		1,549	-	1,812	-
Accounting fees		27,894	(1,015)	50,894	10,276
Legal fees		5,443	-	18,550	-
Insurance		2,453	-	5,723	-
Office supplies, utilities and rent		22,263	1,832	68,373	6,794
Office administration		24,515	4,547	111,427	14,562
Travel and representation		16,283	2,610	78,925	4,785
Investor relations fees		-	-	68,000	-
Transfer agent and filing fees		7,532	-	24,593	-
Shareholders' information		2,082	-	10,160	-
Stock-based compensation	5	278,464	-	1,033,924	-
Total operating expenses		<u>449,419</u>	<u>8,347</u>	<u>1,601,798</u>	<u>37,510</u>
Other expenses (income)					
Foreign exchange loss (gain)		38,960	(6,005)	70,514	(19,740)
Total other expenses (income)		<u>38,960</u>	<u>(6,005)</u>	<u>70,514</u>	<u>(19,740)</u>
Net loss and comprehensive loss for the period		<u>488,379</u>	<u>2,342</u>	<u>1,672,312</u>	<u>17,770</u>
Net loss per common share, basic and diluted		<u>0.01</u>	<u>0.00</u>	<u>0.03</u>	<u>0.00</u>
Weighted average number of common shares outstanding		<u>52,709,980</u>	<u>24,658,267</u>	<u>51,418,499</u>	<u>24,658,267</u>

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

SRG GRAPHITE INC.

(Formerly Sama Graphite Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

For the nine-month periods ended on September 30, 2017 and 2016

(Unaudited - in Canadian dollars)

	Notes	Capital		Shares to be issued	Contributed surplus	Deficit	Total
		Number	\$	\$	\$	\$	\$
Balance on January 1st, 2016		24,658,267	1,419	-	-	(1,340,156)	(1,338,737)
Net loss and comprehensive loss		-	-	-	-	(17,770)	(17,770)
Balance on September 30, 2016		<u>24,658,267</u>	<u>1,419</u>	<u>-</u>	<u>-</u>	<u>(1,357,926)</u>	<u>(1,356,507)</u>
Balance on January 1st, 2017		50,154,719	2,518,176	-	1,868,280	(2,084,652)	2,301,804
Issuance of units under a private placement	4	5,250,000	2,100,000	900,000	-	-	3,000,000
Exercise of options	4	620,000	74,355	-	(43,355)	-	31,000
Exercise of warrants	4	111,000	19,958	-	(3,308)	-	16,650
Issuance costs	4	-	(16,012)	-	-	-	(16,012)
Stock-based compensation	5	-	-	-	1,033,924	-	1,033,924
Net loss and comprehensive loss		-	-	-	-	(1,672,312)	(1,672,312)
Balance on September 30, 2017		<u>56,135,719</u>	<u>4,696,477</u>	<u>900,000</u>	<u>2,855,541</u>	<u>(3,756,964)</u>	<u>4,695,054</u>

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

SRG GRAPHITE INC.

(Formerly Sama Graphite Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month and nine-month periods ended on

(Unaudited - in Canadian dollars)

	Notes	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (9 months)	September 30, 2016 (9 months)
		\$	\$	\$	\$
CASH PROVIDED FROM (USED FOR):					
OPERATING ACTIVITIES					
Net loss for the period		(488,379)	(2,342)	(1,672,312)	(17,770)
Items not affecting cash					
Depreciation		302	373	1,370	1,093
Stock-based compensation	5	278,464	-	1,033,924	-
		<u>(209,613)</u>	<u>(1,969)</u>	<u>(637,018)</u>	<u>(16,677)</u>
Change in non-cash working capital items					
Taxes receivable		(15,866)	-	(27,998)	-
Prepaid expenses and deposits		(101,700)	5	(182,476)	87
Accounts payable and accrued liabilities	6	26,643	-	(203,355)	-
		<u>(90,923)</u>	<u>5</u>	<u>(413,829)</u>	<u>87</u>
		<u>(300,536)</u>	<u>(1,964)</u>	<u>(1,050,847)</u>	<u>(16,590)</u>
INVESTING ACTIVITIES					
Property and equipment additions	6	(2,006)	-	(62,893)	-
Exploration and evaluation expenditures	3 and 6	(371,456)	(86,387)	(1,002,077)	(141,147)
		<u>(373,462)</u>	<u>(86,387)</u>	<u>(1,064,970)</u>	<u>(141,147)</u>
FINANCING ACTIVITIES					
Issuance of units under a private placement	4	3,000,000	-	3,000,000	-
Due to the major shareholder		-	117,165	(267,590)	177,226
Due to a related company		9,786	(7,777)	(49,360)	2,393
Exercise of options	4	-	-	31,000	-
Exercise of warrants	4	450	-	16,650	-
Issuance costs	4	(16,012)	-	(16,012)	-
		<u>2,994,224</u>	<u>109,388</u>	<u>2,714,688</u>	<u>179,619</u>
Increase in cash during the period		<u>2,320,226</u>	<u>21,037</u>	<u>598,871</u>	<u>21,882</u>
Cash and cash equivalents, beginning of period		<u>541,807</u>	<u>3,399</u>	<u>2,263,162</u>	<u>2,554</u>
Cash and cash equivalents, end of period		<u><u>2,862,033</u></u>	<u><u>24,436</u></u>	<u><u>2,862,033</u></u>	<u><u>24,436</u></u>

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

SRG GRAPHITE INC.

(Formerly Sama Graphite Inc.)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

(Unaudited - in Canadian dollars)

NOTE 1. NATURE OF OPERATIONS AND LIQUIDITY RISK

On June 30, 2017, Sama Graphite Inc. ("SRG" or the "Company") changed its company name to SRG Graphite Inc.

SRG Graphite Inc. 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 October 26, 2017.

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.

Management of the Company believes that it has sufficient funds to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall 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. The Company's ability to continue future operations beyond September 30, 2018, and fund its exploration and evaluation expenditures is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of debt or equity instruments. Management will pursue such additional sources of financing when required, and 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 or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

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, 2016. 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, 2016 which have been prepared according to IFRS as issued by the IASB.

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.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

(Unaudited - in Canadian dollars)

NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The interim condensed consolidated financial statements include those of the parent company and its wholly-owned subsidiary Sama Resources Guinee SARL ("Sama Guinee"). The annual reporting date of the subsidiary is December 31.

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.

Functional and presentation currency

The functional currency for the parent entity, and its subsidiary, is the currency of the primary economic environment in which the entity operates. The parent entity has determined the functional currency of each entity is the Canadian dollar. The financial statements of the Company's subsidiary are prepared in the local currency of its home jurisdiction. Consolidation of the subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate.

The interim condensed consolidated financial statements are presented in Canadian dollars.

Foreign currency transactions

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Expenses denominated in a foreign currency are translated at the average rate in effect during the period with the exception of depreciation that is translated at the historical rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the interim condensed consolidated statement of loss and comprehensive loss.

Cash and cash equivalents

Cash is comprised of cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that can be withdrawn at any time without penalty and which are subject to an insignificant risk of change in value.

NOTE 3. EXPLORATION AND EVALUATION ASSETS

Lola Graphite Property

Sama Guinee owns four licenses to explore a combined 187 square kilometers of property in eastern Guinea. Sama Guinee has agreed to complete an exploration program of GNF 9,361,376,000 (approximately \$1,302,030 as at September 30, 2017) by August 29, 2018. The Lola Graphite Property is 100% owned by Sama Guinee.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

(Unaudited - in Canadian dollars)

NOTE 3. EXPLORATION AND EVALUATION ASSETS (Continued)

The following table shows the exploration and evaluation expenditures by property.

	December 31, 2015	Activity	December 31, 2016	Activity	September 30, 2017
	\$	\$	\$	\$	\$
Lola Graphite Property					
Geology and prospecting	55,197	57,829	113,026	132,740	245,766
Geophysics	16	10,148	10,164	38,532	48,696
Geochemistry	12,140	-	12,140	110,082	122,222
Drilling	24,439	235	24,674	299,924	324,598
Metallurgical tests	5,345	7,829	13,174	110,571	123,745
Environmental study	-	-	-	145,038	145,038
Camp operations, field supplies and expenses	317,707	162,470	480,177	225,663	705,840
Total exploration and evaluation assets	414,844	238,511	653,355	1,062,550	1,715,905

NOTE 4. 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 options were exercised at a price of \$0.05 for total proceeds of \$31,000.

On August 23 and 29, 2017, a total of 3,000 warrants were exercised at a price of \$0.15 per warrant for total proceeds of \$450.

On August 30, 2017, the Company closed the first tranche of a non-brokered private placement by issuing 5,250,000 units at a price of \$0.40 per unit for gross proceeds of \$2,100,000. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$0.50 per share for a period of 24 months from the date of issuance. Based on the residual method, the fair value of the warrants is nil. Notwithstanding the foregoing, until such time as the TSX-V authorizes the warrant holder to become an insider of the Company, the warrant holder may exercise only to the extent that following that exercise, the warrant holder will hold less than 10% of the outstanding common shares of the Company.

Shares to be issued

On September 8, 2017, in connection with the second tranche of a non-brokered private placement, the Company received proceeds of \$900,000 and are being held in escrow pending the approval of the TSX-V. Upon receipt of TSX-V approval, the Company will issue a total of 2,250,000 units at a price of \$0.40 per unit for gross proceeds of \$900,000. Each unit will be comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$0.50 per share for a period of 24 months from the date of issuance.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

(Unaudited - in Canadian dollars)

NOTE 4. SHARE CAPITAL (Continued)

Warrants

The following table shows the changes in warrants:

	September 30, 2017		December 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	180,000	0.15	-	-
Issued	2,625,000	0.50	180,000	0.15
Exercised	<u>(111,000)</u>	0.15	<u>-</u>	-
Outstanding, end of period	<u>2,694,000</u>	0.49	<u>180,000</u>	0.15
Exercisable, end of period	<u>432,571</u>		<u>180,000</u>	

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

	September 30, 2017		December 31, 2016	
Expiration date	Exercise price	Number of warrants outstanding	Exercise price	Number of warrants outstanding
	\$		\$	
November 3, 2017	0.15	69,000	0.15	180,000
August 30, 2019	0.50	<u>363,571</u>	-	<u>-</u>
		<u>432,571</u>		<u>180,000</u>

NOTE 5. 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.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

(Unaudited - in Canadian dollars)

NOTE 5. STOCK OPTIONS (Continued)

The following table shows the changes in stock options:

	September 30, 2017		December 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	620,000	0.05	-	-
Issued as part of the Reverse Takeover transaction	-	-	620,000	0.05
Granted	4,208,000	0.37	-	-
Exercised	(620,000)	0.05	-	-
Outstanding, end of period	<u>4,208,000</u>	<u>0.37</u>	<u>620,000</u>	<u>0.05</u>
Exercisable, end of period	<u>1,997,750</u>	<u>0.37</u>	<u>620,000</u>	<u>0.05</u>

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

	September 30, 2017		December 31, 2016		
Expiry date	Exercise price	Number outstanding	Number exercisable	Number outstanding	Number exercisable
	\$				
June 15, 2018	0.05	-	-	180,000	180,000
May 29, 2019	0.05	-	-	440,000	440,000
February 28, 2019	0.365	200,000	100,000	-	-
June 21, 2022	0.410	200,000	50,000	-	-
February 20, 2027	0.365	3,583,000	1,791,500	-	-
March 31, 2027	0.500	200,000	50,000	-	-
June 14, 2027	0.360	25,000	6,250	-	-
		<u>4,208,000</u>	<u>1,997,750</u>	<u>620,000</u>	<u>620,000</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

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NOTE 5. STOCK OPTIONS (Continued)

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

	September 30, 2017	December 31, 2016
Weighted average price at the grant date	0.37 \$	0.10 \$
Weighted average exercise price	0.37 \$	0.05 \$
Expected dividend	- \$	- \$
Expected average volatility	110 %	105 %
Risk-free average interest rate	1.63 %	0.73 %
Expected average life	9.38 years	2.38 years
Weighted fair value per share option	0.33 \$	0.07 \$

The expected volatility was determined using the historical data of Sama Resources Inc. ("Sama"), the major shareholder operating in the same sector according to the expected life of the stock options.

An expense for stock-based compensation of \$1,033,924 was recognized during the nine-month period ended September 30, 2017 (for the nine-month period ended September 30, 2016 – nil).

NOTE 6. ADDITIONAL CASH FLOW INFORMATION

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

	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (9 months)	September 30, 2016 (9 months)
	\$	\$	\$	\$
Depreciation included in Exploration and evaluation assets	1,133	1,177	8,692	3,570
Change in Exploration and evaluation assets included in accounts payable and accrued liabilities	59,038	34	51,781	(66)

NOTE 7. 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 and the Chief Financial Officer ("CFO"). The remuneration of key management personnel includes the following:

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

(Unaudited - in Canadian dollars)

NOTE 7. RELATED PARTIES (Continued)

Transactions with key management personnel:

During the nine-month period ended September 30, 2017, the Company incurred accounting fees of \$41,000 (for the nine-month period ended September 30, 2016 – nil) with the CFO. These fees are recorded under accounting fees.

During the nine-month period ended September 30, 2017, the Company incurred legal fees of \$13,500 (for the nine-month period ended September 30, 2016 – nil) with an officer. These fees are recorded under legal fees.

During the nine-month period ended September 30, 2017, the Company incurred consulting fees of \$61,668 (for the nine-month period ended September 30, 2016 – \$36,408) with a corporation controlled by a director who is also the President and Chief Executive Officer. An amount of \$12,334 (for the nine-month period ended September 30, 2016 – nil) has been recorded under consulting fees and an amount of \$49,334 (for the nine-month period ended September 30, 2016 – \$36,408) has been capitalized to the Company's exploration and evaluation assets.

During the nine-month period ended September 30, 2017, the Company recognized a stock-based compensation of \$463,953 (for the nine-month period ended September 30, 2016 – nil) in connection with stock options granted to officers and directors.

Transactions with related parties

During the nine-month period ended September 30, 2017, the major shareholder charged a total amount of \$9,219 which was recorded under office supplies, utilities and rent (for the nine-month period ended September 30, 2016 – nil).

As of September 30, 2017, the related company had advanced a total of \$65,846 (major shareholder and related company had advanced a total of \$382,796 as at December 31, 2016) to the Company to fund the Company's ongoing activities. These advances are non-interest bearing, unsecured and due on demand.

Termination and Change of Control Provisions

Certain employment agreements between the executive team and the Company contain termination without cause and change of control provisions. Assuming that all members of the executive team had been terminated without cause on September 30, 2017, the total amounts payable to the executive team in respect of severance would have totaled \$257,000. If a change of control had occurred on September 30, 2017, the total amounts payable to the executive team in respect of severance, if elected by each executive team member would have totaled \$257,000.

However, the severance payable to the President and Chief Executive Officer would be paid jointly between the Company and Sama, the major shareholder since the services performed under the agreement are to be allocated between both companies on the pro-rata basis on the time spent to each company.

NOTE 8. COMMITMENTS

The Company has entered into consulting agreements expiring until August 2018 which will call for total payments of \$223,000 (\$127,500 in 2017 and \$95,500 in 2018).

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2017 and 2016 and December 31, 2016

(Unaudited - in Canadian dollars)

NOTE 9. OPERATING SEGMENT

The Company operates in one reportable business segment: the exploration and evaluation of mineral properties. As at September 30, 2017 and December 31, 2016, the Company's non-current assets are all located in the one geographic area as set out below:

	September 30, 2017	December 31, 2016
	Guinea	Guinea
	\$	\$
Property and equipment	77,107	24,276
Exploration and evaluation assets	<u>1,715,905</u>	<u>653,355</u>
	<u>1,793,012</u>	<u>677,631</u>

NOTE 10. SUBSEQUENT EVENT

On October 16, 2017, a total of 23,250 warrants were exercised at a price of \$0.15 per warrant for total proceeds of \$3,488.