Consolidated Financial Statements

For the years ended February 28, 2017 and February 29, 2016

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Serengeti Resources Inc.,

We have audited the accompanying consolidated financial statements of Serengeti Resources Inc., which comprise the consolidated statement of financial position as at February 28, 2017 and February 29, 2016 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Serengeti Resources Inc. as at February 28, 2017 and February 29, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
June 23, 2017

	Notes	February 28, 2017	February 29, 2016
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 406,451	$ 146,169
Receivables	4	7,982	2,599
Prepaid expenses		14,893	11,688
		429,326	160,456
Non-current assets			
Equipment		3,119	4,456
Exploration and evaluation assets	6	19,034,436	19,257,564
Reclamation deposits	5	73,024	73,024
		19,110,579	19,335,044
TOTAL ASSETS		**$ 19,539,905**	**$ 19,495,500**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	7	$ 72,264	$ 39,740
Short-term debt – notes payable	8	57,300	173,621
TOTAL LIABILITIES		**129,564**	**213,361**
SHAREHOLDERS' EQUITY			
Share capital	10	39,361,430	38,781,638
Warrants	10	221,959	72,471
Reserves		7,836,634	7,543,288
Deficit		(28,009,682)	(27,115,258)
TOTAL SHAREHOLDERS' EQUITY		**19,410,341**	**19,282,139**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 19,539,905**	**$ 19,495,500**

Nature of operations and going concern (Note 1)
Commitments (Note 9)
Subsequent events (Note 14)

	Note	Year ended February 28, 2017	February 29, 2016
Expenses			
Consulting		$ 79,779	$ 43,603
Conventions and tradeshows		37,564	9,443
Corporate development		44,524	57,193
Depreciation		1,337	1,909
Investor relations		81,086	9,975
Management fees		145,529	106,114
Office and miscellaneous		66,195	67,169
Professional fees		25,762	22,787
Project investigation costs		10,526	9,567
Share-based payments	10	298,820	57,872
Transfer agent and filing fees		21,726	16,640
Wages and salaries		-	33,069
		(812,848)	(435,341)
Interest income		1,915	583
Expenses recovered		-	7,489
Exploration and evaluation assets written-off	6	(83,491)	-
Net loss before income taxes		(894,424)	(427,269)
Loss and comprehensive loss for year		**$ (894,424)**	**$ (427,269)**
Loss per share – basic and diluted		**$ (0.01)**	**$ (0.01)**
Weighted average number of common shares outstanding		**67,466,405**	**54,585,071**

	Share capital		Reserves			
	Number of shares	Amount	Warrants	Share-based payment reserve	Deficit	Total
Balance at February 28, 2015	**51,100,221**	**$ 38,564,432**	**$ -**	**$ 7,485,416**	**$ (26,687,989)**	**$ 19,361,859**
Shares issued for cash - private placement	12,020,600	300,515	-	-	-	300,515
Portion of units allocated to warrants	-	(72,471)	72,471	-	-	-
Share issue costs - cash	-	(10,838)	-	-	-	(10,838)
Share-based payments	-	-	-	57,872	-	57,872
Net loss for the year	-	-	-	-	(427,269)	(427,269)
Balance at February 29, 2016	**63,120,821**	**$ 38,781,638**	**$ 72,471**	**$ 7,543,288**	**$ (27,115,258)**	**$ 19,282,139**
Shares issued for cash - private placement	6,612,000	661,200	-	-	-	661,200
Portion of units allocated to warrants	-	(143,986)	143,986	-	-	-
Share issue costs	-	(28,694)	-	-	-	(28,694)
Shares issued for cash - exercise of stock options	150,000	8,250	-	-	-	8,250
Reallocation - fair value of stock options exercised	-	5,474	-	(5,474)	-	-
Shares issued for cash - exercise of warrants	1,661,000	83,050	-	-	-	83,050
Reallocation - fair value of warrants exercised	-	10,014	(10,014)	-	-	-
Fair value - finders' warrants	-	(15,516)	15,516	-	-	-
Share-based payments	-	-	-	298,820	-	298,820
Net loss for the year	-	-	-	-	(894,424)	(894,424)
Balance at February 28, 2017	**71,543,821**	**$ 39,361,430**	**$ 221,959**	**$ 7,836,634**	**$ (28,009,682)**	**$ 19,410,341**

Serengeti Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended	
	February 28, 2017	February 29, 2016
Operating activities		
Net loss for the period	$ (894,424)	$ (427,269)
Adjustments for non-cash items:		
Depreciation	1,337	1,909
Share-based payments	298,820	57,872
Exploration and evaluation assets written-off	83,491	-
Changes in non-cash working capital items:		
Receivables	(5,383)	3,766
Prepaid expenses	(3,205)	10,002
Trade payables and accrued liabilities	32,524	(10,235)
Notes payable - accrual	36,000	116,750
Net cash flows used in operating activities	(450,840)	(247,205)
Investing activities		
Expenditures on exploration and evaluation assets	(1,074,507)	(48,736)
Less: expenses recovered	14,144	57,043
Recovery of exploration and evaluation property expenditures	1,200,000	-
Reclamation deposits refunded	-	8,500
Net cash flows provided by investing activities	139,637	16,807
Financing activities		
Proceeds on issuance of common shares (net of cash share issuance costs $28,694)	723,806	289,677
Notes payable - repayments	(152,321)	(83,230)
Net cash flows provided by financing activities	571,485	206,447
Increase (decrease) in cash and cash equivalents	260,282	(23,951)
Cash and cash equivalents, beginning of year	146,169	170,120
Cash and cash equivalents, ending of year	**$ 406,451**	**$ 146,169**

1. Nature of operations and going concern

Serengeti Resources Inc. (the "Company" or "Serengeti") was incorporated on March 5, 1973, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "SIR-V".

The head office and principal address of the Company is located at 800 West Pender Street, Suite 520, Vancouver, British Columbia, Canada, V6C 2V6. The Company's registered and records office address is 1185 West Georgia Street, Suite 1750, Vancouver, British Columbia, Canada, V6E 4E6.

The Company is engaged in the exploration and development of mineral properties in British Columbia and has not yet determined whether its properties contain ore reserves that are economically recoverable. The Company has not generated revenue from operations. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interest.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Company has no source of operating revenue, has incurred losses since inception, and its long term viability remains entirely dependent upon the receipt of equity and/or related party debt financing on terms which are acceptable to it. Although such financing has been available to the Company in the past, there can be no guarantee that it will continue to be so in the future. However, at February 28, 2017 the Company had approximately $300,000 in working capital and, as disclosed at note 14, subsequent to year end warrant exercises have raised an additional amount of approximately $350,000. Accordingly, management is of the view that such working capital is sufficient such that no material uncertainty currently exists that would cast significant doubt as to the Company's near-term ability to continue as a going concern.

2. Significant accounting policies and basis of preparation

These consolidated financial statements were authorized for issue by the directors of the Company on June 23, 2017.

Statement of compliance with International Financial Reporting Standards

These consolidated financial statements of the Company have been prepared 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").

Basis of preparation

These consolidated financial statements of the Company have been prepared on a historical cost basis except for certain financial assets measured at fair value. These consolidated financial statements are presented in Canadian dollars unless otherwise specified.

2. Significant accounting policies and basis of preparation (cont'd)

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

		Percentage owned*	
	Country of incorporation	February 28, 2017	February 29, 2016
0790202 BC Ltd.	Canada	100%	100%

*Percentage of voting power is in proportion to ownership. This company is inactive.

Joint Operations

Consistent with the provisions of IFRS 11, cost sharing activities involving other companies but not conducted through separate legal entities are considered to be 'Joint Operations', and are accounted for at cost. When acting as operator of a particular project on behalf of an optionee, the Company typically receives funds in advance of performing exploration work. The Company records such advances as a deferred liability until such time as the related expenditures are made, at which point these advances are offset against the costs incurred.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during this year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Going concern

Management has determined that the Company will continue as a going concern for the next year.

ii) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions *(cont'd)*

ii) Economic recoverability and probability of future benefits of exploration and evaluation costs (cont'd)

benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is calculated to expense the cost of the assets to their residual values over their estimated useful lives. The depreciation rates applicable to each category of equipment are as follows:

Class of equipment	Depreciation rate
Computer equipment	30% declining balance basis
Leasehold improvements	Over remaining lease term
Furniture and equipment	30% declining balance basis

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

2. Significant accounting policies and basis of preparation (cont'd)

Exploration and evaluation assets *(cont'd)*

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on disposition of a mineral property. Any revenue, including the receipt of fees and similar payments, earned prior to the commencement of commercial production, and reasonably attributable to the costs historically incurred on a property, is also offset against those costs as received.

Exploration tax credits

The Company may qualify for certain exploration tax credits based on qualifying expenditures incurred. Such tax credits are recorded when the amounts involved and the collection thereof are considered to be reasonably determinable. These amounts offset the deferred costs to which they relate, or are included in operations if such costs have been expensed.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting conditions are determined by the Board of Directors.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets

Financial assets are classified at fair value through profit or loss ("FVTPL") when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

2. Significant accounting policies and basis of preparation (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Financial liabilities

Financial liabilities are classified at FVTPL when they comprise derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities initially measured at fair value and subsequently measured at amortized cost. Transaction costs incurred upon the issuance of debt instruments or modification of a financial liability are deducted from the financial liability and are amortized using the effective interest method over the expected life of the related liability.

The Company has classified its cash and cash equivalents at fair value through profit or loss, and receivables (excluding HST/GST) and reclamation bonds as loans and receivables. Trade payables and accrued liabilities and long-term debt are classified as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and short-term highly liquid investments and bank overdrafts.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred tax is accounted for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of the assets or liabilities that affect neither accounting nor taxable profit nor investments in subsidiaries, associates and interests in joint ventures to the extent it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner and expected date of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilized.

2. Significant accounting policies and basis of preparation (cont'd)

Income taxes *(cont'd)*

Flow-through shares:

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through share premium liability and then included in income at the time the qualifying expenditures are made.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercise were used to acquire common shares at the average market price during the reporting period.

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of mineral properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

The Company did not have any significant restoration provisions at February 28, 2017 and February 29, 2016.

Leases

Leases of equipment where substantially all the risks and benefits incidental to the ownership of the asset are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalized by recording an asset and a liability at the lower of the fair value of the leased equipment or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

2. Significant accounting policies and basis of preparation (cont'd)

***Leases** (cont'd)*

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. See also Note 9.

Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the life of the lease term.

New accounting standards not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards.

IFRS 9, Financial Instruments, replaces the current standard *IAS 39 Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities to only two classification categories: amortized cost and fair value. This standard has a proposed effective date of January 1, 2018. The Company's financial assets and liabilities are simple in nature and accordingly the Company has determined that the adoption of this new standard will not have a significant effect on its financial statements.

IFRS 15 Revenue from Contracts with Customers IFRS 15 is a new standard which provides guidance on accounting for revenue from contracts with customers. This standard has a proposed effective date of January 1, 2018. The Company does not have revenue from contracts with customers and accordingly has determined that the adoption of this new standard will have no effect on its financial statements.

IFRS 16 Leases IFRS 16 is a new standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. It introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease. This standard has a proposed effective date of January 1, 2019. The Company is a lessee in respect of its office lease and this new standard will apply. However, the Company's leasing activity is incidental to its operations and the associated costs, and differences in their treatment arising under the new standard, are minor. Accordingly, the Company has determined that the adoption of this new standard will have a minor but not significant effect on its financial statements.

3. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

		February 28, 2017		**February 29, 2016**
Cash at bank	$	6,451	$	146,169
Guaranteed investment certificates		400,000		-
	$	406,451	$	146,169

4. Receivables

	February 28, 2017	February 29, 2016
HST / GST receivable	$ 7,982	$ 2,468
Other receivables	-	131
	$ 7,982	$ 2,599

5. Reclamation deposits

The Company has posted bonds and investment certificates to provide for certain potential reclamation liabilities as agreed with the Province of BC – Ministry of Energy, Mines and Petroleum Resources.

	February 28, 2017	February 29, 2016
Balance, beginning of period	$ 73,024	$ 81,524
Changes	-	(8,500)
Balance, end of period	$ 73,024	$ 73,024

6. Exploration and evaluation assets

The following is a description of the Company's exploration and evaluation assets and the related expenditures incurred for the year ended February 28, 2017:

	Kwanika	Milligan West	Other	Year ended February 28, 2017
Property acquisition costs				
Balance, beginning of period	$ 202,130	$ 43,111	$ 777,756	$ 1,022,997
Additions	801	-	-	801
Balance, end of period	$ 202,931	$ 43,111	$ 777,756	$ 1,023,798
Exploration and evaluation costs				
Balance, beginning of period	$ 17,377,073	$ 251,979	$ 605,515	$ 18,234,567
Costs incurred during period:				
Administration	10,231	-	-	10,231
Aircraft	-	19,051	28,782	47,833
Analysis	29,500	-	68	29,568
Camp and operations	203,966	1,439	5,831	211,236
Consulting	125,207	6,980	15,475	147,662
Drilling	211,180	-	-	211,180
Geophysics	40,450	30,915	88,448	159,813
Resource Study/Engineering	223,654	-	-	223,654
Software purchased	3,112	-	-	3,112
Travel and accommodation	17,314	857	11,246	29,417
	864,614	59,242	149,850	1,073,706
Recovery of costs during period:				
Exploration tax credits	(5,110)	(109)	(8,925)	(14,144)
Cost recoveries	(1,200,000)	-	-	(1,200,000)
Write-downs	-	-	(83,491)	(83,491)
	(1,205,110)	(109)	(92,416)	(1,297,635)
Balance, end of period	$ 17,036,577	$ 311,112	$ 662,949	$ 18,010,638
Total	$ 17,239,508	$ 354,223	$ 1,440,705	$ 19,034,436

6. Exploration and evaluation assets (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related expenditures incurred for the year ended February 29, 2016:

	Kwanika	Milligan West	Other	**Year ended February 29, 2016**
Property acquisition costs				
Balance, beginning of year	$ 202,130	$ 43,111	$ 776,064	$ 1,021,305
Additions	-	-	1,692	1,692
Balance, end of year	$ 202,130	$ 43,111	$ 777,756	$ 1,022,997
Exploration and evaluation costs				
Balance, beginning of year	$ 17,378,385	$ 252,651	$ 613,530	$ 18,244,566
Costs incurred during year:				
Camp and operations	1,707	-	1,178	2,885
Consulting	9,758	363	14,891	25,012
Geophysics	6,451	-	11,841	18,292
Travel and accommodation	183	-	672	855
	18,099	363	28,582	47,044
Recovery of costs during year:				
Exploration tax credits	(19,411)	(1,035)	(36,597)	(57,043)
	(19,411)	(1,035)	(36,597)	(57,043)
Balance, end of year	$ 17,377,073	$ 251,979	$ 605,515	$ 18,234,567
Total	$ 17,579,203	$ 295,090	$ 1,383,271	$ 19,257,564

a) Kwanika

The Kwanika property, comprised of 29 contiguous unpatented minerals claims, was originally acquired by staking and is currently 95% owned by the Company as a result of the transaction set out below. It is located in the northern portion of the Quesnel Trough, British Columbia.

Unincorporated joint venture agreement

On April 6, 2016, the Company closed a transaction with Daewoo Minerals Canada Corp. ("DMC"), a 100% owned Canadian subsidiary of POSCO Daewoo Corp, whereby DMC may earn up to a 35% interest in Serengeti's Kwanika copper-gold project and four adjacent properties by providing funding of $8.2 million.

6. Exploration and evaluation assets (cont'd)

The principal business terms of the joint venture agreement are as follows:

- DMC will fund $1.2 million in the first year (paid) and has therefore earned a 5% interest in the Kwanika project, of which $800,000 was dedicated to project expenditures and $400,000 was paid directly to Serengeti as an operator's fee. This latter payment has been treated as a recovery of costs previously incurred by Serengeti on the Kwanika project.

- DMC may acquire an additional 30% interest in the project by electing, during the 90-day period subsequent to the filing of a Preliminary Economic Assessment ("PEA") in respect to the project, to fund an additional $7 million contribution to the joint venture. Note 14 sets out that this 90-day election period expires July 27, 2017.

Other terms include:

- Serengeti remains as project operator as long as it maintains a majority interest, and is entitled to charge a 10% operator's fee on expenditures beyond the initial $1.2 million investment by DMC.
- Serengeti, in addition to maintaining its project interest, would be granted a 1% NSR royalty if its project interest is diluted below 50% and an additional 0.5% NSR royalty if its interest is diluted below 33 ⅓ %, subject to partial buyback provisions to DMC.
- DMC is to have certain concentrate offtake rights from production on the project, subject to Serengeti's ability to enter into separate streaming arrangements.
- On proceeding with the second stage Kwanika earn-in, DMC has the right to select and earn into one of Serengeti's other exploration properties by funding additional expenditures, which property would be nominated at Serengeti's sole discretion.

b) Milligan West

The Company owns a 56.3% interest in the Milligan West property in joint venture with Fjordland Exploration Inc.

c) Other B.C. Properties

The Company owns a 100% interest in 8 other properties (exclusive of Kwanika and related properties).

During the year the Company wrote down $83,491 in costs applicable to properties no longer being explored.

All of the Company's current mineral properties are located in British Columbia. During the year ended February 28, 2017, the Company received $14,144 (2016 - $64,532) in BC Mineral Exploration Tax Credits ("BCMETC"), of which $14,144 (2016 - $57,043) was allocated to the exploration and evaluation assets and the balance of $nil (2016 - $7,489) to the statement of loss and comprehensive loss.

7. Trade payables and accrued liabilities

		February 28, 2017		February 29, 2016
Trade payables	$	34,810	$	22,309
Amounts due to related parties (Note 11)		7,454		3,005
Accrued liabilities		30,000		14,426
	$	72,264	$	39,740

During the year ending February 29, 2016, the Company borrowed $15,000 from a director. The loan was secured against the receipt by the Company of its fiscal 2015 BC Mineral Exploration Tax Credits (“BC METC”) and bore interest at 10% per annum. During the year ended February 29, 2016 the loan plus accrued interest was repaid on the receipt of the BC METC funds.

8. Notes payable

As at February 28, 2017, the Company was indebted by way of non-interest-bearing notes payable to officers and directors in the amount of $57,300 (February 29, 2016 - $173,621) in respect of CEO and CFO fees, consulting fees, directors’ fees and salaries. During the year ended February 28, 2017, a total of $36,000 was accrued for CEO fees and a total of $152,321 was paid out to directors and officers for a net reduction of $116,321. The remaining amount of $57,300 is due to the CEO. Note 14 sets out that this was subsequently paid out.

On September 14, 2016, the Company signed an agreement with the CEO agreeing to defer payment of amounts owed and establishing settlement terms. The notes payable to be due the earlier of (i) September 15, 2017 of (ii) when the Company raises a minimum of $200,000 in funds.

During the year ended February 29, 2016, $83,230 of these notes were discharged by payments from the proceeds of the private placement financing set out in Note 10. Effective September 15, 2015 the notes payable were reclassified from long-term debt to short-term debt.

9. Commitments

Pursuant to the unincorporated joint venture agreement set out in Note 6(a), the Company has expended all $800,000 of the funds advanced by DMC for the Kwanika project and none of its cash on hand at February 28, 2017 is required to be expended on the Kwanika project.

10. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At February 28, 2017, there were 71,543,821 issued and fully paid common shares (February 29, 2016 – 63,120,821).

On August 5, 2016, the Company closed a placement raising gross proceeds of $661,200. The private placement consisted of to 6,612,000 units at a price of $0.10 per unit, with each unit consisting of one common share and one half of one share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.15 for a period of two years. The Company paid $21,300 in cash for finders' fees and issued 213,000 finders' warrants with an exercise price of $0.15 for a period of two years.

On August 8, 2016, holders exercised 125,000 stock options for cash proceeds of $6,250.

During the year ended February 28, 2017, a total of 1,661,000 warrants were exercised for cash proceeds of $83,050.

On January 30, 2017, holders exercised 25,000 stock options for cash proceeds of $2,000.

On November 6, and November 19, 2015, respectively, the Company closed the first and second tranches of a private placement financing whereby the Company issued a total of 12,020,600 units at a price of $0.025 per Unit, raising total gross proceeds of $300,515. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.05 for a period of three years from closing.

The warrants, issued in November 2015, are subject to an accelerated expiry provision upon the occurrence of a triggering event (the "Trigger Event"). A Trigger Event shall occur when the closing price for the Company's common shares on the TSX Venture Exchange is greater than $0.10 per share for a period of ten consecutive trading days. On the occurrence of a Trigger Event, the Company may, at its option, within ten days of such a Trigger Event, shorten the term of the warrants by giving thirty days' notice to the holders by way of a news release, in which case the warrants shall expire within thirty days of the date of dissemination of the news release.

Basic and diluted loss per share

The basic and diluted loss per share for the year ended February 28, 2017 was $0.01 (2016 - $0.01). The calculation of basic and diluted loss per share for the year ended February 28, 2017 was based on the loss attributable to common shareholders of $894,424 (2016 - $427,269) and the weighted average number of common shares outstanding of 67,466,405(2016 – 54,585,071). The diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive. As of February 28, 2017, the total number of potentially dilutive warrants was 13,878,600 (2016 – 12,020,600) and the total number of potentially dilutive stock options excluded from the calculation of loss per share was 8,545,000 (2016 – 5,985,000). The aggregate number of potentially dilutive shares was 22,423,600.

10. Share capital and reserves (cont'd)

Warrants

The following table summarizes information about the issued and outstanding warrants as at February 28, 2017 and February 29, 2016:

	February 28, 2017		**February 29, 2016**	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of period	12,020,600	$ 0.05	-	$ -
Warrants issued	3,519,000	0.15	12,020,600	0.05
Warrants exercised	(1,661,000)	0.05	-	-
Warrants outstanding, end of period	13,878,600	$ 0.08	12,020,600	$ 0.05

See Note 14 regarding exercise of warrants subsequent to year end.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V policies, grant to directors, officers, employees and consultants of the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance does not exceed a fixed total of 12,624,000. Such options may be exercisable for a period of up to five years from the date of grant.

On April 27, 2016, the Company granted stock options to acquire up to 1,320,000 common shares of the Company at a price of $0.07 per share with an exercise period of five years.

On June 1, 2016, the Company granted stock options to acquire up to 150,000 common shares of the Company at a price of $0.07 per share with an exercise period of two years.

On July 7, 2016, the Company granted stock options to acquire up to 50,000 common shares of the Company at a price of $0.095 per share with an exercise period of five years. The stock options are subject to vesting provisions over a period of 12 months as follows: 25% vested on the date of grant, and a further 25% to vest every four months from the date of grant.

On July 27, 2016, the Company granted stock options to acquire up to 200,000 common shares of the Company at a price of $0.135 per share with an exercise period of two years.

On January 30, 2017, the Company granted stock options to acquire up to 1,775,000 common shares of the Company at a price of $0.15 per share with an exercise period of five years.

10. Share capital and reserves (cont'd)

On January 30, 2017, the Company granted stock options to acquire up to 150,000 common shares of the Company at a price of $0.15 per share with an exercise period of two years. The stock options are subject to vesting provisions over a period of 12 months as follows: 25% vested on the date of grant, and a further 25% to vest every four months from the date of grant.

During the year ending February 28, 2017, 935,000 stock options expired unexercised.

The changes in options during the year ended February 28, 2017 and February 29, 2016 are as follows:

	February 28, 2017		February 29, 2016	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of period	5,985,000	$ 0.10	5,675,000	$ 0.15
Options granted	3,645,000	0.11	1,900,000	0.05
Options exercised	(150,000)	0.06	-	-
Options expired	(935,000)	0.19	(1,590,000)	0.23
Options outstanding, end of year	8,545,000	$ 0.09	5,985,000	$ 0.10
Options exercisable, end of year	8,545,000	$ 0.09	5,985,000	$ 0.10

Details of options outstanding as at February 28, 2017 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.05 - $0.12	2.58 years	6,420,000	6,420,000
$0.13 - $0.15	4.38 years	2,125,000	2,125,000
	3.09 years	8,545,000	8,545,000

During the year ended February 28, 2017, the Company granted 3,645,000 (2016 – 1,900,000) stock options with a weighted average fair value of $0.07 (2016 - $0.05) per option. The Company recorded share-based compensation of $298,820 (2016 - $57,872) relating to options vested during the period. The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	February 28, 2017	February 29, 2016
Expected life of options	2 to 5 years	2 to 5 years
Annualized volatility	104.68 % to112.43%	133.57% to 148.31%
Risk-free interest rate	0.53% to 1.11%	0.35% to 0.48%
Dividend rate	0%	0%

11. Income tax

A reconciliation of income taxes at statutory rates with the reported income taxes is as follows:

	2017	2016
Net loss for the year	$ (894,424)	$ (427,269)
Expected income tax recovery	$ (233,000)	$ (111,000)
Change in statutory, foreign tax and other		-
Deductible and non-deductible amounts	100,000	12,000
Change in unrecognized deductible temporary differences	133,000	99,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2017	2016
Deferred tax assets (liabilities)		
Exploration and evaluation assets	$(1,844,000)	$(1,868,000)
Investment tax credits	255,000	255,000
Equipment	31,000	40,000
Share issue costs	-	-
Non-capital losses available for future periods, net of valuation allowance	1,558,000	1,573,000
Net deferred tax liability	$ -	$ -

The significant components of the Company's unrecognized deductible temporary differences are as follows:

	2017	Expiry Date Range	2016
Temporary differences			
Exploration and evaluation assets	$ 7,093,000	No expiry date	$ 7,184,000
Equipment	119,000	No expiry date	152,000
Share issue costs	(1,000)	No expiry date	(2,000)
Allowable capital losses	2,426,000	No expiry date	2,426,000
Non-capital losses available for further periods	8,995,000	2026 to 2037	7,863,000

Tax attributes are subject to review, and potential adjustments, by tax authorities.

12. Related party transactions

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities, and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	February 28, 2017	February 29, 2016
Directors and officers of the Company	$ 7,454	$ 3,005

Key management personnel compensation – paid or accrued

Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company as a whole. The Company has determined that its key management personnel consist of the Company's Board of Directors and corporate officers.

Effective January 1, 2016, the President agreed to defer 43% of his compensation to accrued liability on the understanding that the amount would continue to accrue until the earlier of the Company being in receipt of funds relating to a financing or September 15, 2016. As a result of the Company raising capital, the President's salary was returned to its full agreed amount of $168,000 annually, effective September 1, 2016.

The CEO and a director participated in the August 5, 2016 private placement as to a total of $135,000.

Notes 7 and 8 also set out certain significant transactions and balances with related parties.

	Year ended	
	February 28, 2017	February 29, 2016
Management fees (1)	$ 168,000	$ 168,000
Consulting (2)	69,738	47,891
Share-based payments	248,065	51,494
	$ 485,803	$ 267,385

(1) A portion of management fees are allocated to exploration and evaluation assets.

(2) Includes accounting fees paid to a company controlled by the CFO of $47,668 (2016: $27,574).

13. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's principal source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

13. Financial risk management (cont'd)

Fair value

The Company's financial instruments consist of cash and cash equivalents, receivables, reclamation deposits and trade payables and accrued liabilities. The fair value of these financial instruments other than cash and cash equivalents approximates their carrying values due to the short-term nature of these investments. Cash and cash equivalents are measured at fair value using Level 1 inputs.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

14. Subsequent events

a) Subsequent to February 28, 2017, 7,050,000 warrants were exercised for proceeds of $352,500.

b) Subsequent to February 28, 2017, short term debt of $57,300 was paid. See note 8.

c) The Company filed a Preliminary Economic Assessment on April 28, 2017 and accordingly DMC has until July 27, 2017 to elect to increase its interest in the Kwanika project to 35% by the provision of a further $7 million in funding to the joint venture.