SERENGETI RESOURCES INC.

Condensed Consolidated Interim Financial Statements

Six Month Period Ended August 31, 2016

(Unaudited – prepared by Management)

(Expressed in Canadian Dollars)

Condensed Consolidated Unaudited Interim Financial Statements

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim unaudited financial statements for the six month period ended August 31, 2016.

(Expressed in Canadian dollars)

	Notes	August 31, 2016	February 29, 2016
ASSETS			
Current assets			
Cash and cash equivalents		$ 1,186,887	$ 146,169
Receivables		32,087	2,599
Prepaid expenses		14,698	11,688
		1,233,672	160,456
Non-current assets			
Equipment		3,787	4,456
Exploration and evaluation assets	6	18,557,783	19,257,564
Reclamation deposits		73,024	73,024
		18,634,594	19,335,044
TOTAL ASSETS		**$ 19,868,266**	**$ 19,495,500**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	7	$ 132,489	$ 39,740
Short-term debt – notes payable	8	57,300	173,621
		189,789	213,361
TOTAL LIABILITIES		**189,789**	**213,361**
SHAREHOLDERS' EQUITY			
Share capital		39,264,793	38,781,638
Warrants		231,973	72,471
Reserves		7,585,969	7,543,288
Deficit		(27,404,258)	(27,115,258)
TOTAL SHAREHOLDERS' EQUITY		**19,678,477**	**19,282,139**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 19,868,266**	**$ 19,495,500**

Nature of operations and going concern (Note 1)
Commitments (Note 9)
Subsequent events (Note 13)

Serengeti Resources Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Three month period ended August 31, 2016	Three month period ended August 31, 2015	Six month period ended August 31, 2016	Six month period ended August 31, 2015
Expenses					
Consulting		$ 29,877	$ 9,816	$ 40,560	$ 23,099
Conventions and tradeshows		2,419	362	5,587	8,521
Corporate development		36,553	17,792	41,130	25,531
Depreciation		334	478	668	955
Investor relations		26,009	2,688	29,636	7,224
Management fees		25,415	30,583	56,350	66,686
Office and miscellaneous		12,067	15,777	34,751	34,764
Professional fees		10,668	9,418	18,745	14,174
Project investigation costs		950	1,527	2,036	4,673
Share-based payments	10	6,430	-	46,583	-
Transfer agent and filing fees		10,535	6,240	12,954	9,043
Wages and salaries		-	6,516	-	20,397
		(161,257)	(101,197)	(289,000)	(215,067)
Interest income		-	221	-	221
Net loss before income taxes		(161,257)	(100,976)	(289,000)	(214,846)
Loss and comprehensive loss for period		**$ (161,257)**	**$ (100,976)**	**$ (289,000)**	**$ (214,846)**
Loss per share – basic and diluted		**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstanding		**65,093,908**	**51,100,221**	**64,107,364**	**51,100,221**

Serengeti Resources Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders’ Equity
(Expressed in Canadian dollars)

	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**
Net loss for the period	-	-	-	-	(214,846)	(214,846)
Balance at August 31, 2015	**51,100,221**	**$ 38,564,432**	**$ -**	**$ 7,485,416**	**$ (26,902,835)**	**$ 19,147,013**
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
Share issue costs - cash	-	(37,679)	(11,105)	-	-	(48,784)
Shares issued for cash - exercise of stock options	125,000	6,250				6,250
Reallocation - fair market value of stock options exercised	-	3,902	-	(3,902)	-	-
Warrants issued	-	(150,518)	150,518	-	-	-
Fair market value - finders warrants	-	-	20,089	-	-	20,089
Share-based payments	-		-	46,583	-	46,583
Net loss for the period	-	-	-	-	(289,000)	(289,000)
Balance at August 31, 2016	**69,857,821**	**$ 39,264,793**	**$ 231,973**	**$ 7,585,969**	**$ (27,404,258)**	**$ 19,678,477**

(Expressed in Canadian dollars)

	Note	Three month period ended August 31, 2016	Three month period ended August 31, 2015	Six month period ended August 31, 2016	Six month period ended August 31, 2015
Operating activities					
Net loss for the period		$ (161,257)	$ (100,976)	$ (289,000)	$ (214,846)
Adjustments for non-cash items:					
Depreciation		334	478	668	955
Share-based payments		6,430	-	46,583	-
Changes in non-cash working capital items:					
Receivables		(27,926)	1,170	(29,488)	3,273
Prepaid expenses		14,718	2,931	(3,010)	7,040
Trade payables and accrued liabilities		49,860	3,480	64,020	13,188
Long-term debt - notes payable reclassified as short-term debt		(130,136)	42,000	(116,321)	72,750
Net cash flows used in operating activities		(247,977)	(50,917)	(326,548)	(117,640)
Investing activities					
Expenditures on exploration and evaluation assets		(438,869)	(3,894)	(471,490)	(20,371)
Recovery of exploration and evaluation property expenditure	6	-	-	1,200,000	-
Net cash flows provided by (used in) investing activities		(438,869)	(3,894)	728,510	(20,371)
Financing activities					
Proceeds on issuance of common shares (net of share issuance costs $28,694)	10	638,756	-	638,756	-
Loan payable	4	-	15,000	-	15,000
Net cash flows provided by financing activities		638,756	15,000	638,756	15,000
Increase (decrease) in cash and cash equivalents		(48,090)	(39,811)	1,040,718	(123,011)
Cash and cash equivalents, beginning of period		1,234,977	86,920	146,169	170,120
Cash and cash equivalents, ending of period		**$ 1,186,887**	**$ 47,109**	**$ 1,186,887**	**$ 47,109**

1. Nature of operations and going concern

Serengeti Resources Inc. (the "Company") 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.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At August 31, 2016, the Company had not achieved profitable operations, had a net loss of $289,000 (August 31, 2015 – $214,846) for the six month period ended August 31, 2016 and accumulated losses of $27,404,258 (February 29, 2016 - $27,115,258) since inception, had a working capital of $1,043,883, had not advanced its mineral properties to commercial production and expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2. Significant accounting policies and basis of preparation

These condensed consolidated interim financial statements were authorized for issue on October 25, 2016 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent 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"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended February 29, 2016.

The condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended February 29, 2016.

(Expressed in Canadian dollars - unaudited)

3. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

		August 31, 2016		**February 29, 2016**
Cash at bank	$	846,887	$	146,120
Guaranteed investment certificates		340,000		-
	$	1,186,887	$	170,120

4. Receivables

		August 31, 2016		**February 29, 2016**
HST / GST receivable	$	26,464	$	2,468
Other receivables		5,623		131
	$	32,087	$	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 British Columbia – Ministry of Energy, Mines and Petroleum Resources.

		August 31, 2016		**February 29, 2016**
Balance, beginning of period	$	73,024	$	73,024
Changes		-		-
Balance, end of period	$	73,024	$	73,024

(Expressed in Canadian dollars - unaudited)

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 six month period ended August 31, 2016:

	Kwanika	Milligan West	Other	Period ended August 31, 2016
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:				
Advances	20,900		-	20,900
Analysis	294	-	-	294
Camp and operations	121,093	-	985	122,078
Consulting	76,623	389	4,334	81,346
Drilling	211,180	-	-	211,180
Geophysics	40,450	-	-	40,450
Resource Study/Engineering	6,225			6,225
Software purchased	3,112	-	-	3,112
Travel and accommodation	13,833	-	-	13,833
	493,710	389	5,319	499,418
Recovery of costs during period:				
Cost recoveries	(1,200,000)	-	-	(1,200,000)
Balance, end of period	$ 16,670,783	$ 252,368	$ 610,834	$ 17,533,985
Total	$ 16,873,714	$ 295,479	$ 1,388,590	$ 18,557,783

a) Kwanika

The Kwanika property is 95% owned by the Company as a result of the transaction set out below and 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, one of South Korea's leading trading corporations, whereby DMC may earn up to a 35% interest in Serengeti's Kwanika copper-gold project by providing funding of $ 8.2 million. An initial $1.2 million investment has been paid into the joint venture account, from which Serengeti has received $400,000.

(Expressed in Canadian dollars - unaudited)

6. Exploration and evaluation assets (cont'd)

The principal business terms of the deal are as follows:

- DMC is committed to fund $1.2 million in the first year to earn an initial 5% interest in the Kwanika project of which $0.8 million is dedicated to project expenditures and $0.4 million paid directly to Serengeti as an operator's fee.

- DMC may earn an additional 30% interest in the project by funding an additional $7 million over the subsequent two years for aggregate expenditures of $8.2 million over three years to earn an aggregate 35% project interest.

Other terms include:

- Serengeti remains as project operator, so 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 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 50% 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 13 properties (exclusive of Kwanika) and a 65.2% interest in one other in joint venture with Fjordland Exploration Inc.

7. Trade payables and accrued liabilities

		August 31, 2016		**February 29, 2016**
Trade payables	$	97,791	$	22,309
Amounts due to related parties (Note 11)		9,698		3,005
Accrued liabilities		25,000		14,426
	$	132,489	$	39,740

8. Notes payable

As at August 31, 2016, 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 six month period ended August 31, 2016 a total of $36,000 was accrued for CEO fees and a total of $152,321 was paid out for a net reduction of $116,321. The remaining amount owing of $57,300 is due to the CEO.

9. Commitments

Pursuant to the unincorporated joint venture agreement set out in Note 6(a) the Company at August 31, 2016 held $345,000 in cash and cash equivalent funds which are required to be expended on the Kwanika Project. This amount is the unexpended balance of the $800,000 advanced by DMC in April 2016 which is net of the $400,000 up-front cash operating fee paid to Serengeti.

10. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At August 31, 2016, there were 69,857,821 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.

Basic and diluted loss per share

The basic and diluted loss per share for the six month period ended August 31, 2016 was $0.00 (2015 - $0.00). The calculation of basic and diluted loss per share for the six month period ended August 31, 2016 was based on the loss attributable to common shareholders of $289,000 (2015 - $214,846) and the weighted average number of common shares outstanding of 64,107,364 (2015 – 51,100,221). The diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive. As of August 31, 2016, the total number of potentially dilutive shares excluded from the calculation of loss per share was 22,924,600 made up of 15,539,600 warrants (2015 – nil) and 7,385,000 stock options (2015 – 5,035,000).

(Expressed in Canadian dollars - unaudited)

10. Share capital and reserves (cont'd)

Warrants

The following table summarizes information about the issued and outstanding warrants as at August 31, 2016 and February 29, 2016:

	August 31, 2016		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 outstanding, end of period	15,539,600	$ 0.07	12,020,600	$ 0.05

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.

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.

During the six month period ending 195,000 stock options expired unexercised.

(Expressed in Canadian dollars - unaudited)

10. Share capital and reserves (cont'd)

The changes in options during the six month period ended August 31, 2016 and the year ended February 29, 2016 are as follows:

	May 31, 2016		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	1,720,000	0.08	1,900,000	0.05
Options exercised	(125,000)	0.05	-	-
Options expired	(195,000)	0.14	(1,590,000)	0.23
Options outstanding, end of period	7,385,000	$ 0.09	5,985,000	$ 0.10
Options exercisable, end of period	7,385,000	$ 0.09	5,985,000	$ 0.10

Details of options outstanding as at August 31, 2016 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.06 - $0.12	3.07 years	6,445,000	6,445,000
$0.13 - $0.20	0.72 year	940,000	940,000
	2.77 years	7,385,000	7,385,000

The Company recorded share-based compensation of $46,583 (2015 - $Nil) 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:

	August 31, 2016	February 29, 2016
Expected life of options	2-5 years	3.5 years
Annualized volatility	112%	127%
Risk-free interest rate	0.65%	0.54%
Dividend rate	0%	0%

(Expressed in Canadian dollars - unaudited)

11. 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.

		August 31, 2016		February 29, 2016
Directors and officers of the Company	$	9,698	$	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. The Company has determined that its key management personnel consist of the Company's Board of Directors and corporate officers.

		Six month period ended August 31, 2016		2015
Management fees (1)	$	84,000	$	84,000
Consulting (2)		37,681		24,533
Share-based payments		40,153		-
	$	161,834	$	108,533

(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 $22,961 (2015: $17,383)

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 full pay effective September 1, 2016.

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

12. Financial risk management

There have been no changes to the nature of the Company's financial instrument related risks, or to the Company's processes for managing such risks, since the Company's issuance of its annual audited financial statements for the year ended February 29, 2016.

13. Subsequent events

Subsequent to August 31, 2016, a total of 1,433,000 warrants were exercised for cash proceeds of $71,650.