



Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2013

(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 three months ended May 31, 2013.

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

	Notes	May 31, 2013	February 28, 2013
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 1,372,054	\$ 1,547,585
Receivables	4	11,576	65,867
Prepaid expenses		16,280	21,582
		1,399,910	1,635,034
Non-current assets			
Reclamation deposits	5	90,024	90,024
Equipment	6	31,115	34,482
Exploration and evaluation assets	7	19,935,828	19,862,602
		20,056,967	19,987,108
TOTAL ASSETS		\$ 21,456,877	\$ 21,622,142
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8	\$ 82,106	\$ 105,627
TOTAL LIABILITIES		82,106	105,627
SHAREHOLDERS' EQUITY			
Share capital	10	38,564,432	38,564,432
Reserves	10	7,395,676	7,267,681
Deficit		(24,585,337)	(24,315,598)
TOTAL SHAREHOLDERS' EQUITY		21,374,771	21,516,515
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 21,456,877	\$ 21,662,142

Nature and continuance of operations (Note 1)
Commitments (Note 9)

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

	Three month period ended	
	2013	May 31, 2012
Expenses		
Consulting	\$ 30,321	\$ 24,229
Conventions and tradeshow	10,710	24,197
Depreciation	3,367	2,096
Director fees	10,000	20,000
Foreign exchange	(295)	11,321
Investor relations	20,771	37,914
Management fees	37,477	47,265
Office and miscellaneous	27,197	39,066
Professional fees	11,446	19,401
Project investigation costs	23,555	88,094
Share-based payments	127,995	54,832
Transfer agent and filing fees	4,722	2,784
Wages and salaries	29,498	35,459
	(336,764)	(406,658)
Interest income	404	14,270
Exploration and evaluation assets written-off	-	(129,956)
Exploration and evaluation expense recovered	66,621	-
Comprehensive loss for period	\$ (269,739)	\$ (522,344)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	51,100,221	51,100,221

See accompanying notes to the condensed consolidated interim financial statements

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

	Share capital		Reserves		Total
	Number of shares	Amount	Share-based payment reserve	Deficit	
Balance at February 29, 2012	51,100,221	\$ 38,564,432	\$ 7,162,333	\$ (21,378,480)	\$ 24,348,285
Share-based payments	-	-	54,832	-	54,832
Loss for the period	-	-	-	(522,344)	(522,344)
Balance at May 31, 2012	51,100,221	\$ 38,564,432	\$ 7,217,165	\$ (21,900,824)	\$ 23,880,773
Balance at February 28, 2013	51,100,221	\$ 38,564,432	\$ 7,267,681	\$ (24,315,598)	\$ 21,516,515
Share-based payments	-	-	127,995	-	127,995
Loss for the period	-	-	-	(269,739)	(269,739)
Balance at May 31, 2013	51,100,221	\$ 38,564,432	\$ 7,395,676	\$ (24,585,337)	\$ 21,374,771

See accompanying notes to the condensed consolidated interim financial statements

Serengeti Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars - unaudited)

	Three month period ended	
	May 31,	
	2013	2012
Operating activities		
Loss for the period	\$ (269,739)	\$ (522,344)
Adjustments for non-cash items:		
Depreciation	3,367	4,084
Share-based payments	127,995	54,832
Exploration and evaluation assets written-off	-	129,956
Changes in non-cash working capital items:		
Receivables	54,291	100,852
Prepaid expenses	5,302	(7,428)
Trade payables and accrued liabilities	(486)	(9,965)
Net cash flows used in operating activities	(79,270)	(250,013)
Investing activities		
Expenditures on exploration and evaluation assets	(96,261)	(326,166)
Net cash flows used in investing activities	(96,261)	(326,166)
Decrease in cash and cash equivalents	(175,531)	(576,179)
Cash and cash equivalents, beginning of period	1,547,585	3,084,337
Cash and cash equivalents, ending of period	\$ 1,372,054	\$ 2,508,158

1. Nature and continuance of operations

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 and Mexico. 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 750 West Pender Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2T8. The Company's registered and records office address is 1185 West Georgia Street, Suite 1750, Vancouver, British Columbia, Canada, V6E 4E6.

These condensed consolidated interim 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 is not expected to continue operations for the foreseeable future. As at May 31, 2013, the Company had not advanced any property to commercial production and is not able to finance day to day activities through operations. The Company has sufficient working capital to maintain operations for the upcoming year. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on July 29, 2013 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards

These condensed consolidated interim 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"). These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Company's Annual Financial statements as at and for the year ended February 28, 2013. Accordingly, these condensed consolidated interim statements for the three month period ended May 31, 2013 and 2012 should be read together with the Annual Financial Statements as at and for the year ended February 28, 2013.

Effective March 1, 2013, the Company adopted the following accounting standards issued by the IASB:

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation- Special Purpose Entities* and is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company does not believe the adoption of this standard will have a significant effect on its financial statements.

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

Statement of compliance and conversion to International Financial Reporting Standards (cont'd)

IFRS 11 *Joint Arrangements* establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company does not believe the adoption of this standard will have a significant effect on its financial statements.

IFRS 12 *Disclosure of Involvement with other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company does not believe the adoption of this standard will have a significant effect on its financial statements.

IFRS 13 *Fair Value Measurement* defines fair value and sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 *Share-based Payment*; leasing transactions within the scope of IAS 17 *Leases*; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company does not believe the adoption of this standard will have a significant effect on its financial statements.

Basis of preparation

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

3. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

		May 31,	February 28,
		2013	2013
Cash at bank	\$	113,054	\$ 253,585
Guaranteed investment certificates		1,259,000	1,294,000
	\$	1,372,054	\$ 1,547,585

4. Receivables

		May 31,	February 28,
		2013	2013
HST / GST receivable	\$	8,767	\$ 19,154
Other receivables		2,809	46,713
	\$	11,576	\$ 65,867

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.

		May 31,	February 28,
		2013	2013
Balance, beginning of period	\$	90,024	\$ 90,024
Additions		-	-
Balance, end of period	\$	90,024	\$ 90,024

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For the three months period ended May 31, 2013 and 2012

6. Equipment

		Motor vehicles	Leasehold improvements	Computer equipment	Furniture and equipment	Total
Cost:						
At February 28, 2013	\$	27,803	\$ 11,265	\$ 21,665	\$ 5,292	\$ 66,025
Additions		-	-	-	-	-
At May 31, 2013		27,803	11,265	21,665	5,292	66,025
Depreciation:						
At February 28, 2013		12,083	5,632	11,361	2,467	31,543
Additions		1,688	705	773	201	3,367
At May 31, 2013		13,771	6,337	12,134	2,668	34,910
At May 31, 2013	\$	14,032	\$ 4,928	\$ 9,531	\$ 2,624	\$ 31,115

		Motor vehicles	Leasehold improvements	Computer equipment	Furniture and equipment	Total
Cost:						
At February 29, 2012	\$	27,803	\$ 11,265	\$ 21,665	\$ 5,292	\$ 66,025
Additions		-	-	-	-	-
At February 29, 2013		27,803	11,265	21,665	5,292	66,025
Depreciation:						
At February 28, 2012		5,954	2,816	6,945	1,355	17,070
Additions		6,129	2,816	4,416	1,112	14,473
At February 29, 2013		12,083	5,632	11,361	2,467	31,543
At February 29, 2013	\$	15,720	\$ 5,633	\$ 10,304	\$ 2,825	\$ 34,482

Serengeti Resources Inc.
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7. Exploration and evaluation assets

The following is a description of the Company's exploration and evaluation assets and the related spending commitments for the three month ended May 31, 2013:

	Canada				Mexico		Total for period ended February 28, 2013
	Kwanika	Quest JV	Tchentlo / Choo	Other			
Property acquisition costs							
Balance, beginning of period	\$ 202,130	\$ 137,497	\$ 71,168	\$ 577,209	\$ 1	\$	988,005
Additions	-	-	-	18,350	-	-	18,350
Balance, end of period	\$ 202,130	\$ 137,497	\$ 71,168	\$ 595,559	\$ 1	\$	1,006,355
Exploration and evaluation costs							
Balance, beginning of period	\$ 17,364,061	\$ 439,648	\$ 302,874	\$ 768,014	\$ -	\$	18,874,597
Costs incurred during period:							
Camp and operations	4,961	-	-	460	-	-	5,421
Consulting	40,315	2,761	-	6,379	-	-	49,455
	45,276	2,761	-	6,839	-	-	54,876
Balance, end of period	\$ 17,409,337	\$ 442,409	\$ 302,874	\$ 774,853	\$ -	\$	18,929,473
Total	\$ 17,611,467	\$ 579,906	\$ 374,042	\$ 1,370,412	\$ 1	\$	19,935,828

7. Exploration and evaluation assets (cont'd)

a) Kwanika

The 8,960Ha Kwanika property is 100% owned by the Company and located in the northern portion of the Quesnel Trough, British Columbia. It is the Company's principal mineral property.

b) Quest Joint Venture

The Company owns a 50 to 65.2% interest in 8 additional properties under two separate joint venture agreements with Fjordland Exploration Inc.

The Company and Fjordland have one director in common.

Between September 2011 and May 2013, six of these properties were subject to a separate joint venture with Xstrata Copper Canada who conducted target development work on all six, returning five of the properties in January 2013 and the sixth in May 2013.

c) Other Properties

The Company owns a 100% interest in 15 other properties totaling 73,547Ha (exclusive of Kwanika) located in the Cariboo, Omineca and Skeena Mining Divisions of British Columbia.

Between April 2011 and September 2012 two of these properties, Choo and Tchentlo were subject to an option earn-in agreement with Phelps Dodge Corporation of Canada, Limited ("PDCC") who spent approximately \$1,577,000 in exploration on the two properties, which amount is not reflected in the accompanying table.

d) Mexico

The Company, through its wholly owned Mexican subsidiary, holds title to five properties located in the states of Chihuahua, Durango and Sonora, northern Mexico.

The Company has no current exploration plan for the Mexican properties and accordingly fully wrote down their carrying value in the immediately preceding financial year.

8. Trade payables and accrued liabilities

		May 31, February 28,	
		2013	2013
Trade payables	\$	19,955	\$ 40,242
Amounts due to related parties (Note 11)		17,636	10,195
Accrued liabilities		44,515	55,190
	\$	82,106	\$ 105,627

9. Commitments

As at May 31, 2013, future payments required under non-cancellable operating leases for premises contracted for but not capitalized in the financial statements are as follows:

Payable not later than one year	\$	31,753
Payable later than one year and not later than five years		28,099
Total future minimum lease payments	\$	59,582

10. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At May 31, 2013 there were 51,100,221 issued and fully paid common shares (February 28, 2013 – 51,100,221).

Basic and diluted loss per share

The basic and diluted loss per share for the three months ended May 31, 2013 was \$0.01 (2012 - \$0.01). The calculation of basic and diluted loss per share for the three months ended May 31, 2013 was based on the loss attributable to common shareholders of \$269,739 (2012 - \$522,344) and the weighted average number of common shares outstanding of 51,100,221 (2012 – 51,100,221). The diluted loss per share does not include the effect of stock options as they are anti-dilutive. As of May 31, 2013, the total number of potentially dilutive shares excluded from the calculation of loss per share was 7,205,000 (2012 – 6,320,000).

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 the TSX-V policies, grant to directors, officers, employees and technical 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 9,230,000. Such options will be exercisable for a period of up to 5 years from the date of grant.

The changes in options during the periods ended May 31, 2013 and February 28, 2013 are as follows:

	May 31, 2013		February 28, 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	5,725,000	\$ 0.33	6,245,000	\$ 0.41
Options granted	2,750,000	0.12	75,000	0.12
Options expired	(1,270,000)	0.54	(595,000)	1.16
Options forfeited	-	-	-	-
Options outstanding, end of period	7,205,000	\$ 0.21	5,725,000	\$ 0.33
Options exercisable, end of period	6,711,250	\$ 0.22	5,681,250	\$ 0.33

Serengeti Resources Inc.
Notes to the Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars - unaudited)
For the three months period ended May 31, 2013 and 2012

10. Share capital and reserves (cont'd)
Stock options (cont'd)

Details of options outstanding as at May 31, 2013 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
\$0.12 - \$0.33	2.80 years	7,145,000	6,751,250
\$0.34 - \$0.40	0.40 years	60,000	60,000
	2.62 years	7,205,000	6,811,250

During the three months ended May 31, 2013, the Company granted 2,750,000 (2012 – 75,000) stock options with a weighted average fair value of \$0.12 (2012 - \$0.12) per option. The Company recorded share-based compensation of \$127,995 (2012 - \$54,832) 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:

	May 31, 2013	February 28, 2013
Expected life of options	4 years	5 years
Annualized volatility	88%	103%
Risk-free interest rate	1.25%	1.62%
Dividend rate	0%	0%

Warrants

The changes in warrants during the periods ended May 31, 2013 and February 28, 2013 are as follows:

	May 31, 2013		February 28, 2013	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	-	\$ -	2,106,999	\$ 0.42
Warrants expired	-	-	(2,106,999)	0.42
Warrants outstanding, end of period	-	\$ -	-	\$ -

11. Related party transactions

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of repayments.

		May 31, February 28,	
		2013	2013
Directors and officers of the Company	\$	17,636	\$ 10,195

All amounts were paid in full by June 30, 2013.

Key management personnel compensation

		Three month period	
		ended May 31,	
		2013	2012
Management fees (1)	\$	42,000	\$ 56,500
Consulting		12,200	14,300
Director fees		10,000	20,000
Share-based payments		110,683	33,764
	\$	174,883	\$124,564

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

The Company has entered into a two year renewable employment agreement with the president of the Company expiring December 31, 2013 for the provision of services at a cost of \$17,500 per month. If the agreement is terminated without cause, the Company will be required to provide severance equal to two months salary for every year of service starting July 1, 2004 onwards. In the event of a change in control of the Company, the president will have the right to cancel the agreement and receive a termination payment equal to twenty-four months salary.

12. 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 provided 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 which are held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks 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 sole 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 significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's Mexican subsidiary is exposed to currency risk as it incurs expenditures that are denominated in Mexican pesos while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Mexican pesos:

	May 31, 2013	February 28, 2013
Cash and cash equivalents	\$ 73,608	\$ 59,117
Receivables	526	523
Accounts payable	(2,243)	(2,239)
	\$ 71,891	\$ 57,401

Based on the above net exposures, as at May 31, 2013, a 10% change in the Mexican peso to Canadian dollar exchange rate would impact the Company's net loss by \$7,189.

12. Financial risk management (cont'd)

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 to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain 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 period.

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

Fair value

The Company's financial instruments consist of cash and cash equivalents, receivables, reclamation bonds 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.

13. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition and exploration of mineral properties.

Geographic segments

The Company's non-current assets are located in the following countries:

	As at May 31, 2013		
	Canada	Mexico	Total
Reclamation deposits	\$ 90,024	\$ -	\$ 90,024
Equipment	16,944	14,171	31,115
Exploration and evaluation assets	19,935,827	1	19,935,828
	\$ 20,042,795	\$ 14,172	\$ 20,056,967

	As at February 28, 2013		
	Canada	Mexico	Total
Reclamation deposits	\$ 90,024	\$ -	\$ 90,024
Equipment	18,762	15,720	34,482
Exploration and evaluation assets	19,862,601	1	19,862,602
	\$ 19,971,387	\$ 15,721	\$ 19,987,108