Condensed Consolidated Interim Financial Statements

Nine Month period ended November 30, 2017

(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 nine-month period ended November 30, 2017.

(Expressed in Canadian dollars)

	Notes	November 30, 2017	February 28, 2017
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 248,035	$ 406,451
Receivables	4	497,336	7,982
Prepaid expenses		15,686	14,893
		761,057	429,326
Non-current assets			
Equipment		2,417	3,119
Investment in joint venture	5	15,228,571	-
Exploration and evaluation assets	6	2,455,455	19,034,436
Reclamation deposits	7	94,284	73,024
		17,780,727	19,110,579
TOTAL ASSETS		**$ 18,541,784**	**$ 19,539,905**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8, 10	$ 222,227	$ 72,264
Short-term debt – notes payable		-	57,300
		222,227	129,564
TOTAL LIABILITIES		**222,227**	**129,564**
SHAREHOLDERS' EQUITY			
Share capital	9	40,692,096	39,361,430
Warrants	9	175,345	221,959
Reserves		7,843,080	7,836,634
Deficit		(30,390,964)	(28,009,682)
TOTAL SHAREHOLDERS' EQUITY		**18,319,557**	**19,410,341**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 18,541,784**	**$ 19,539,905**

Nature of operations and going concern (Note 1)

(Expressed in Canadian dollars)

	Note	Three month period ended November 30, 2017	Three month period ended November 30, 2016	Nine month period ended November 30, 2017	Nine month period ended November 30, 2016
Expenses					
Consulting		$ 28,427	$ 13,372	$ 94,535	$ 53,932
Conventions and tradeshows		4,809	24,752	16,149	30,339
Corporate development		102,034	767	102,034	41,897
Depreciation		234	334	702	1,002
Investor relations		14,277	18,288	45,043	47,924
Management fees		39,793	32,200	116,355	88,550
Office and miscellaneous		18,803	16,065	55,845	50,816
Professional fees		42,714	7,017	78,937	25,762
Project investigation costs		1,890	3,906	2,515	5,942
Share-based payments	9	10,393	-	10,393	46,583
Transfer agent and filing fees		5,909	6,127	18,352	19,081
Wages and salaries		2,431	-	2,431	-
		(271,714)	(122,828)	(543,291)	(411,828)
Interest income		1,280	1,093	3,919	1,093
Impairment	5	(1,841,910)	-	(1,841,910)	-
Share of joint venture profit (loss)	5	-	-	-	-
Net loss		(2,112,344)	(121,735)	(2,381,282)	(410,735)
Loss and comprehensive loss for period		**$ (2,112,344)**	**$ (121,735)**	**$ (2,381,282)**	**$ (410,735)**
Loss per share – basic and diluted		**$ (0.02)**	**$ (0.00)**	**$ (0.03)**	**$ (0.01)**
Weighted average number of common shares outstanding		**86,291,369**	**70,846,502**	**80,447,146**	**66,337,406**

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 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
Shares issued for cash - exercise of warrants	1,661,000	83,050	-	-	-	83,050
Reallocation - fair market value of stock options exercised	-	3,902	-	(3,902)	-	-
Reallocation - fair market value of warrants exercised	-	10,014	(10,014)	-	-	-
Warrants issued	-	(150,518)	150,518	-	-	-
Fair value - finders warrants	-	-	20,089	-	-	20,089
Share-based payments	-	-	-	46,583	-	46,583
Net loss for the period	-	-	-	-	(410,735)	(410,735)
Balance at November 30, 2016	**71,518,821**	**$ 39,357,857**	**$ 221,959**	**$ 7,585,969**	**$ (27,525,993)**	**$ 19,639,792**
Balance at February 28, 2017	**71,543,821**	**$ 39,361,430**	**$ 221,959**	**$ 7,836,634**	**$ (28,009,682)**	**$ 19,410,341**
Shares issued for cash - private placement	5,502,000	825,300	-	-	-	825,300
Share issue costs	-	(29,140)	-	-	-	(29,140)
Shares issued for cash - exercise of stock options	175,000	12,500	-	-	-	12,500
Reallocation - fair market value of stock options exercised	-	3,947	-	(3,947)	-	-
Shares issued for cash - exercise of warrants	9,164,300	471,445	-	-	-	471,445
Reallocation - fair market value of warrants exercised	-	60,215	(60,215)	-	-	-
Broker warrants issued	-	(13,601)	13,601	-	-	-
Share-based payments	-	-	-	10,393	-	10,393
Net loss for the period	-	-	-	-	(2,381,282)	(2,381,282)
Balance at November 30, 2017	**86,385,121**	**$ 40,692,096**	**$ 175,345**	**$ 7,843,080**	**$ (30,390,964)**	**$ 18,319,557**

(Expressed in Canadian dollars)

	Three month period ended		Nine month period ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
Operating activities				
Net loss for the period	$ (2,112,344)	$ (121,735)	$ (2,381,282)	$ (410,735)
Adjustments for non-cash items:				
Depreciation	234	334	702	1,002
Share-based payments	10,393	-	10,393	46,583
Impairment	1,841,910	-	1,841,910	-
Changes in non-cash working capital items:				
Receivables	(90,545)	(35,759)	(95,065)	(65,247)
Prepaid expenses	5,882	(1,990)	(793)	(5,000)
Trade payables and accrued liabilities	114,382	(39,336)	99,214	24,684
Notes payable - accrual	-	-	-	36,000
Net cash flows used in operating activities	(230,088)	(198,486)	(524,921)	(372,713)
Investing activities				
Expenditures on exploration and evaluation assets	(829,129)	(322,480)	(1,013,968)	(793,970)
Less: expenses recovered	178,927	14,144	178,927	14,144
Recovery of exploration and evaluation property expenditure	-	-	-	1,200,000
Reclamation deposits	8,740	-	(21,260)	-
Net cash flows provided by investing activities	(641,462)	(308,336)	(856,301)	420,174
Financing activities				
Proceeds on issuance of common shares (net of share issuance costs $29,139 (2016 - $28,694))	41,005	83,050	1,280,106	721,806
Shares issuable	(6,750)	-	-	-
Notes payable - repayments	-	-	(57,300)	(152,321)
Net cash flows provided by financing activities	34,255	83,050	1,222,806	569,485
Increase (decrease) in cash and cash equivalents	(837,295)	(423,772)	(158,416)	616,946
Cash and cash equivalents, beginning of period	1,085,330	1,186,887	406,451	146,169
Cash and cash equivalents, end of period	**$ 248,035**	**$ 763,115**	**$ 248,035**	**$ 763,115**

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".

The head office and principal address of the Company is 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.

2. Significant accounting policies and basis of preparation

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on January 26, 2018.

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 28, 2017 with the exception of the new accounting policy adopted in the current period.

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 28, 2017.

New accounting policy

Investments in joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in a joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income/(loss) is reclassified to profit or loss where appropriate.

The Company's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(Expressed in Canadian dollars)

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

Investments in joint ventures *(cont'd)*

The Company determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognizes the amount adjacent to share of net loss of joint ventures in the statement of loss.

Profits and losses resulting from upstream and downstream transactions between the Company and its joint venture are recognized in the Company's financial statements only to the extent of the unrelated investor's interest in the joint venture. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in joint ventures are recognized in the statement of loss.

3. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

		November 30, 2017		February 28, 2017
Cash at bank	$	17,535	$	6,451
Guaranteed investment certificates		230,500		400,000
	$	248,035	$	406,451

4. Receivables

		November 30, 2017		February 28, 2017
Exploration tax credit receivable		276,600		-
Exploration costs recoverable from joint venture		138,871		-
HST / GST receivable		54,529		7,982
Other receivables		27,336		-
	$	497,336	$	7,982

5. Investment in joint venture – Kwanika Copper Corporation

On November 24, 2017, Serengeti completed a transaction whereby Serengeti, POSCO DAEWOO Corporation ("PDC") and Kwanika Copper Corporation ("KCC") (formerly known as Daewoo Minerals Canada Corporation) signed a definitive joint venture agreement (the "JVA") for the exploration and development of the Kwanika property (the "Project"). Pursuant to the JVA, the respective interests of Serengeti and PDC in the Project have been transferred to KCC, which will serve as the vehicle for the joint venture.

(Expressed in Canadian dollars)

5. Investment in joint venture - Kwanika Copper Corporation (cont'd)

PDC has contributed a total of $8,200,000 in cash (including the $1,200,000 previously funded) and holds 8,200,000 million common shares of KCC (representing 35% of the total issued shares of KCC). Serengeti has contributed its 95% ownership of the Kwanika property, in exchange for 15,228,571 common shares of KCC (representing 65% of the total issued shares of KCC).

Serengeti will remain as project operator so long as it maintains a majority interest, and will receive a 10% operator's fee on expenditures including a fee of $700,000 to be paid immediately as the first disbursement from the Project funding. In addition to maintaining its Project interest, Serengeti will 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 percent, subject to partial buyback provisions to DMC. DMC will have certain concentrate offtake rights from production on the project, subject to Serengeti's ability to enter into separate streaming arrangements.

Based on the valuation assigned to the Kwanika property in the JVA, Serengeti has recorded an impairment of $1,841,910 on the property prior to its transfer to KCC.

Summarized statement of financial position – Kwanika Copper Corporation

		November 30, 2017 (unaudited)
Current assets	$	7,010,999
Non-current assets		16,571,178
Total assets	**$**	**23,582,177**
Current liabilities	$	148,701
Shareholders' equity		
Common shares		
Serengeti Resources Inc. - to balance sheet		15,228,571
Daewoo Minerals Canada Corporation		8,200,000
Reserves		4,905
Total shareholders' equity		23,433,476
Total Equity and Liabilities	**$**	**23,582,177**

For the period ended November 30, 2017, the joint venture loss was $nil as was Serengeti's share thereof.

(Expressed in Canadian dollars)

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 nine months ended November 30, 2017:

	Kwanika	Milligan West	Other	Total
Property acquisition costs				
Balance, beginning of period	$ 202,931	$ 43,111	$ 777,756	$ 1,023,798
Transfer to joint venture	(202,931)	-	-	(202,931)
Balance, end of period	$ -	$ 43,111	$ 777,756	$ 820,867
Exploration and evaluation costs				
Balance, beginning of period	$ 17,041,057	$ 311,112	$ 658,469	$ 18,010,638
Costs incurred during period:				
Administration	54	-	393	447
Aircraft	-	2,792	81,716	84,508
Analysis	-	8,682	5,957	14,639
Camp and operations	21,397	136,565	185,412	343,374
Consulting	20,647	51,036	53,607	125,290
Drilling	-	171,233	144,848	316,081
Geophysics	-	-	38,784	38,784
Resource Study/Engineering	115,975	-	-	115,975
Software purchased	-	262	-	262
Travel and accommodation	1,608	13,048	10,700	25,356
	159,681	383,618	521,417	1,064,716
Recovery of costs during period:				
Exploration tax credits	(215,499)	(17,437)	(43,664)	(276,600)
Cost recoveries	(117,689)	(178,927)	-	(296,616)
	(333,188)	(196,364)	(43,664)	(573,216)
Impairment	(1,841,910)	-	-	(1,841,910)
Transfer to joint venture	(15,025,640)	-	-	(15,025,640)
Balance, end of period	$ -	$ 498,366	$ 1,136,222	$ 1,634,588
Total	$ -	$ 541,477	$ 1,913,978	$ 2,455,455

a) Kwanika

The Kwanika property was originally acquired by staking. It is located in the northern portion of the Quesnel Trough, British Columbia.

On April 6, 2016, the Company closed a transaction with Daewoo Minerals Canada Corp. ("DMC"), a 100% owned Canadian subsidiary of PDC, whereby DMC may earn up to a 35% interest in Serengeti's Kwanika copper-gold project and four adjacent properties by providing funding of $8,200,000. DMC funded $1,200,000 in the first year and 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

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (cont'd)

operator's fee. This latter payment was treated as a recovery of costs previously incurred by Serengeti on the Kwanika project.

On November 24, 2017, Serengeti completed a joint venture transaction for the exploration and development of the Kwanika project. Pursuant to this transaction, the respective interests of Serengeti and DMC in the Kwanika project have been transferred to KCC, which will serve as the vehicle for the joint venture. (See Note 5).

b) Milligan West

The Company owns a 56.3% interest in the Milligan West property in joint venture with Fjordland Exploration Inc. an arms-length company also listed on the TSX-V.

c) Other B.C. Properties

The Company owns a 100% interest in eight other properties.

All of the Company's current mineral properties are located in British Columbia.

7. 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.

		November 30, 2017		February 28, 2017
Balance, beginning of period	$	73,024	$	73,024
Addition		21,260		-
Balance, end of period	$	94,284	$	73,024

8. Trade payables and accrued liabilities

		November 30, 2017		February 28, 2017
Trade payables	$	204,341	$	34,810
Amounts due to related parties (Note 10)		5,386		7,454
Accrued liabilities		12,500		30,000
	$	222,227	$	72,264

9. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At November 30, 2017, there were 85,889,621 issued and fully paid common shares (February 28, 2017 – 71,543,821).

On July 25, 2017, the Company completed a non-brokered flow-through private placement financing of 5,502,000 flow-through common shares priced at $0.15 for gross proceeds of $825,300. Finders’ fees totaling $20,370 in cash and 135,800 finders’ warrants were paid in respect of certain subscribers in accordance with the policies of the TSX-V. The finders' warrants are exercisable at a price of $0.15 for a period of 18 months from the date of issuance.

During the nine months ended November 30, 2017, a total of 9,164,300 warrants were exercised for cash proceeds of $471,445.

During the nine months ended November 30, 2017, 175,000 stock options were exercised for cash proceeds of $12,500.

Basic and diluted loss per share

The basic and diluted loss per share for the nine-month period ended November 30, 2017 was $0.03 (2016 - $0.01). The calculation of basic and diluted loss per share for the nine-month period ended November 30, 2017 was based on the loss attributable to common shareholders of $2,381,282 (2016 - $410,735) and the weighted average number of common shares outstanding of 80,447,146 (2016 - 66,337,406). The diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive. At November 30, 2017, the total number of potentially dilutive warrants was 4,850,100 (November 30, 2016 - 13,878,600) and the total number of potentially dilutive stock options was 8,520,000 (November 30, 2016 - 7,385,000). The aggregate number of potentially dilutive shares was 13,370,100.

(Expressed in Canadian dollars)

9. Share capital and reserves (cont'd)

Warrants

The following table summarizes information about the issued and outstanding warrants for the nine-month period ended November 30, 2017, and year ended February 28, 2017 as follows:

	November 30, 2017		February 28, 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	13,878,600	$ 0.08	12,020,600	$ 0.05
Warrants issued	135,800	0.15	3,519,000	0.15
Warrants exercised	(9,164,300)	0.05	(1,661,000)	0.05
Warrants outstanding, end of period	4,850,100	$ 0.12	13,878,600	$ 0.08

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.

The changes in options during the nine-month period ended November 30, 2017, and year ended February 28, 2017 are as follows:

	November 30, 2017		February 28, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	8,545,000	$ 0.09	5,985,000	$ 0.10
Options granted	150,000	0.20	3,645,000	0.11
Options exercised	(175,000)	0.07	(150,000)	0.06
Options expired	-	-	(935,000)	0.19
Options outstanding, end of period	8,520,000	$ 0.10	8,545,000	$ 0.09
Options exercisable, end of period	8,445,000	$ 0.10	8,545,000	$ 0.09

(Expressed in Canadian dollars)

9. Share capital and reserves (cont'd)

Details of options outstanding as at November 30, 2017 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.05 - $0.12	2.05 years	6,245,000	6,245,000
$0.13 - $0.20	4.13 years	2,275,000	2,200,000
	2.60 years	8,520,000	8,445,000

During the nine-month period ended November 30, 2017, the Company granted 150,000 (2016 – 1,720,000) stock options with a weighted average fair value of $0.20 (2016 - $0.08) per option. The Company recorded share-based compensation of $10,393 (2016 - $46,583) relating to options vested during the period.

The fair value of options granted was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	November 30, 2017	November 30, 2016
Expected life of options	5 years	2-5 years
Annualized volatility	110%	112%
Risk-free interest rate	1.52%	0.65%
Dividend rate	0%	0%

10. 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.

	November 30, 2017	February 28, 2017
Directors and officers of the Company	$ 5,386	$ 7,454

During the nine months ended November 30, 2017 notes payable to a related party of $57,300 were repaid in full.

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 consists of the Company's Board of Directors and corporate officers.

(Expressed in Canadian dollars)

10. Related party transactions (cont'd)

	NIne month period ended	
	November 30, 2017	November 30, 2016
Management fees (1)	$ 126,000	$ 126,000
Consulting (2)	50,949	52,981
Share-based payments	-	40,153
	$ 176,949	$ 219,134

(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 $38,439 (2016: $34,346).

11. 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. For the period ended November 30, 2017, there were no changes to the Company's risk management process.