



SAMA RESOURCES INC./RESSOURCES SAMA INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian Dollars)

TSXV: SME

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Continuous Disclosure Obligations, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

SAMA RESOURCES INC./RESSOURCES SAMA INC.

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SAMA RESOURCES INC./RESSOURCES SAMA INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited - Expressed in Canadian Dollars)

	June 30, 2016 \$	December 31, 2015 \$
ASSETS		
Current assets		
Cash and cash equivalents	180,551	491,671
Prepaid expenses and deposits	17,011	27,564
Taxes receivable	17,998	45,784
Accounts receivable	17,527	20,104
Other amounts receivable	8,870	7,682
	<u>241,957</u>	<u>592,805</u>
Property and equipment (Note 4)	528,398	644,904
Exploration and evaluation assets (Note 3)	19,394,104	19,037,746
	<u>20,164,459</u>	<u>20,275,455</u>
Total assets		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	272,756	251,166
Unearned revenue	-	2,692
	<u>272,756</u>	<u>253,858</u>
SHAREHOLDERS' EQUITY		
Capital (Note 5)	27,124,969	26,877,368
Contributed surplus	2,665,636	2,571,197
Deficit	(9,898,902)	(9,426,968)
	<u>19,891,703</u>	<u>20,021,597</u>
Total shareholders' equity	<u>19,891,703</u>	<u>20,021,597</u>
Total liabilities and shareholders' equity	<u>20,164,459</u>	<u>20,275,455</u>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

These condensed interim consolidated financial statements were approved for issue by the Audit Committee of the Board of Directors on August 23, 2016 and are signed on its behalf by:

Signed: "Marc Fillion", Director

Signed: "Todd Hilditch", Director

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(Unaudited - Expressed in Canadian Dollars)

	Three month Period Ended June 30, 2016 \$	Three month Period Ended June 30, 2015 \$	Six month Period Ended June 30, 2016 \$	Six month Period Ended June 30, 2015 \$
OTHER REVENUE				
Other revenue	25,595	-	71,466	-
Direct costs	34,721	-	67,789	-
GROSS PROFIT(LOSS) (excluding depreciation)	(9,126)	-	3,677	-
EXPENSES				
Depreciation	2,191	1,239	3,496	2,593
Consulting	42,135	53,646	78,071	125,365
Foreign exchange	(10,847)	362	(18,959)	(1,037)
Insurance	7,399	8,993	16,075	30,893
Investor relations	-	647	197	6,804
Professional fees	23,583	28,902	66,222	52,937
Directors fees	-	-	-	(13,000)
Office supplies, utilities and rent	19,678	29,815	40,360	63,979
Office administration	65,685	79,975	139,846	144,774
Shareholder information	3,862	3,124	4,833	8,790
Stock-based compensation	37,511	145,180	87,716	172,107
Transfer agent and filing fees	8,363	8,037	12,167	12,692
Travel	4,368	16,859	11,256	46,542
LOSS BEFORE OTHER ITEMS	(213,054)	(376,779)	(437,603)	(653,439)
OTHER ITEMS				
Interest income	128	160	128	160
Loss on sale of capital assets	(34,459)	-	(34,459)	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	<u>(247,385)</u>	<u>(376,619)</u>	<u>(471,934)</u>	<u>(653,279)</u>
LOSS PER SHARE, BASIC AND DILUTED	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.01)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>109,432,163</u>	<u>99,216,788</u>	<u>108,893,163</u>	<u>99,179,807</u>

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(Unaudited - Expressed in Canadian Dollars)

	Six month period ended June 30, 2016 \$	Six month period ended June 30, 2015 \$
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Loss for the period	\$ (471,934)	(653,279)
Items not affecting cash:		
Depreciation	3,496	2,593
Stock-based compensation	87,716	172,107
Loss on sale of capital assets	34,459	-
	<u>(346,263)</u>	<u>(478,579)</u>
Changes in non-cash working capital balances:		
Other amounts receivable	1,389	(3,522)
Taxes receivable	27,786	(19,664)
Prepaid expenses and deposits	10,553	6,299
Accounts payable and accrued liabilities	34,563	26,406
Deferred revenue	(2,692)	-
	<u>(274,664)</u>	<u>(469,060)</u>
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(309,189)	(512,667)
Capital asset disposals (additions)	(2,219)	529
Proceeds from sale of capital assets	20,628	-
	<u>(290,780)</u>	<u>(512,138)</u>
FINANCING ACTIVITIES		
Issuance of common shares	265,050	24,400
Share issuance costs paid	(10,726)	(56,636)
	<u>254,324</u>	<u>(32,236)</u>
INCREASE (DECREASE) IN CASH DURING THE PERIOD	(311,120)	(1,013,434)
CASH, BEGINNING OF PERIOD	<u>491,671</u>	<u>1,355,382</u>
CASH, END OF PERIOD	<u>\$ 180,551</u>	<u>\$ 341,948</u>

SUPPLEMENTAL CASH FLOW INFORMATION (Note 7)

Interest paid in cash	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in Canadian Dollars)

	Number of common shares	Capital	Contributed Surplus	Deficit	Total Equity
Balance, December 31, 2014	99,035,879	\$ 25,771,049	\$ 2,241,383	\$ (7,259,988)	\$ 20,752,444
Common shares issued for:					
Cash – private placement (Note 5a)	180,909	39,800	-	-	39,800
Share issue costs	-	(56,777)	141	-	(56,636)
Share-based compensation	-	-	172,107	-	172,107
Loss for the period	-	-	-	(653,279)	(653,279)
Balance, June 30, 2015	99,216,788	\$ 25,754,072	\$ 2,413,631	\$ (7,913,267)	\$ 20,254,436
Balance, December 31, 2015	108,354,787	26,877,368	2,571,197	(9,426,968)	20,021,597
Common shares issued for:					
Cash – private placement (Note 5a)	2,650,500	265,050	-	-	265,050
Share issue costs	-	(17,449)	6,723	-	(10,726)
Share-based compensation	-	-	87,716	-	87,716
Loss for the period	-	-	-	(471,934)	(471,934)
Balance, June 30, 2016	111,005,287	\$ 27,124,969	\$ 2,665,636	\$ (9,898,902)	\$ 19,891,703

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Sama Resources Inc./Ressources Sama Inc. ("Sama" or the "Company") is a Canadian-based mineral exploration and development business with activities in Africa. The Company was incorporated on July 11, 2006 under the Business Corporations Act of British Columbia. The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "SME.V". On May 13, 2013, the Company continued its jurisdiction of incorporation from British Columbia into the federal jurisdiction of Canada under the Canada Business Corporations Act. The Company's principal office is located at #2390 – 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9. Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete exploration and development programs and, ultimately, upon future profitable production.

The Company's exploration and evaluation assets are located in the Republic of Côte d'Ivoire ("Côte d'Ivoire") and the Republic of Guinea ("Guinea"), Africa, and hence are subject to the risks normally associated with foreign investment including unanticipated changes in taxes and royalties, renegotiation of contracts, foreign currency fluctuations and political uncertainties.

The accompanying condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

The Company had a working capital deficit of \$30,799 and an accumulated deficit of \$9,898,902 as at June 30, 2016 and a net cash outflow from operating, financing and investing activities of \$311,120 for the six month period ended June 30, 2016.

In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its obligations and existing commitments for exploration and evaluation programs and pay general and administration costs. Management considers current funds are insufficient for the Company to continue operating. Any future funding shortfall may be met in a number of ways, including the issuance of new equity instruments, cost reductions and other measures. While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding or initiatives will be available to the Company or that they will be available on terms acceptable to the Company. If Management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

- a. Effective in 2015, the Company has changed its financial year-end from September 30 to December 31 in order to align the year-ends of Sama and its operating subsidiaries located in Cote d'Ivoire and Guinea which operate on a calendar fiscal year-end. Accordingly, these condensed consolidated interim financial statements present the statements of financial position as at June 30, 2016 and December 31, 2015, and the results of operations for the six months then ended.

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b. Statement of compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim statements, including IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2015 with the exception of the new accounting standards issued and in effect described in note 2(c). These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2015 which have been prepared according to IFRS as issued by the IASB. The Audit Committee of the Board of Directors authorized for publication the condensed interim consolidated financial statements on August 23, 2016.

c. Accounting standards and interpretations issued and in effect

(i) IAS 1, Presentation of Financial Statements ("IAS 1")

In December 2014, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" to clarify materiality, order of notes to financial statements, disclosure of accounting policies as well as aggregation and disaggregation of items presented in the statements of financial position, statements of income and statements of comprehensive income. The Company has adopted the amendments on January 1, 2016 with no significant impacts on the financial statement disclosures.

d. Accounting standards and interpretations issued but not yet adopted

(i) IFRS 9 – Financial instruments, classification and measurement

In July 2014, the IASB issued IFRS 9 – Financial Instruments. The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 – Financial Instruments: Recognition and Measurement.

This standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability and own credit. The standard introduces a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognized and it lowers the threshold for recognition of full lifetime expected losses. The new standard also introduces a substantially-reformed model for hedge accounting with enhanced disclosures about risk management activity and aligns hedge accounting more closely with risk management. The new standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The extent of the impact of adoption of IFRS 9 has not yet been determined.

(ii) IFRS 15 - Revenue from contracts with customers.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The extent or the impact of adoption of IFRS 15 has not been yet determined.

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

A. Samapleu Property

On January 15, 2009 ("Effective Date"), Sama Nickel entered into a Syndicate Agreement ("SA") with La Société pour le Développement Minier de la Côte d'Ivoire ("SODEMI"), a parastatal organization, whereby Sama Nickel has indicated a particular interest in the exploration of an area covered by Permit No. 123 ("PR123"), held by SODEMI, located in Côte d'Ivoire. PR123 encompasses approximately 446 square kilometres.

Upon execution of the SA, Sama Nickel became responsible to finance exploration work programs on behalf of the SA during the exploration phase of the project through completion of a Bankable Feasibility Study ("BFS"). SODEMI will not contribute to work conducted under the SA.

Under the terms of the SA, Sama Nickel and SODEMI have agreed to complete an exploration program of F CFA 553,045,495 (\$1,075,671 as at May 13, 2010) by May 13, 2010 in the evaluation of PR123 (completed). On October 25, 2010, Sama Nickel and SODEMI renewed certain terms of PR123 and have agreed to complete an exploration program of F CFA 5,323,576,000 (\$10,455,400 as at October 25, 2012) by October 25, 2012 (completed). On October 31, 2012, Sama Nickel and SODEMI renewed certain terms of PR123 and have agreed to complete an exploration program of F CFA 2,272,500,000 (\$5,004,045 as at October 31, 2015) by October 31, 2015 (completed). On October 25, 2015, Sama Nickel and SODEMI extended certain terms of PR123 resulting in a license extension to October 25, 2017.

Upon completion of the BFS, the Advisory Committee ("AC"), which consists of two Sama Nickel representatives and two SODEMI representatives, will conclude on the feasibility of the project. If the AC decides to proceed with the project, an Exploitation Entity ("EE") will be established whereby future funding will be split between Sama Nickel and SODEMI at 66.7% and 33.3%, respectively. The EE will reimburse SODEMI for any costs associated with previous exploration work conducted up to a maximum of F CFA 834,999,457 (approximately \$1,826,979 as at June 30, 2016) and will reimburse

Sama Nickel for costs associated with exploration work conducted between the Effective Date and the approval of the BFS subject to the approval of the AC.

The ownership of the EE shall be allocated as follows:

Sama Nickel	60%
SODEMI	30%
Côte d'Ivoire Government	10%
	100%

If the AC decides not to proceed with the project, SODEMI may, at its sole discretion, terminate the SA and SODEMI would become the owner of all results of the exploration works and all studies associated with infrastructures, for no financial consideration.

The Samapleu Property is subject to a 1% net smelter return royalty.

B. Lola Property

On November 5, 2010, the Company obtained three licenses to explore a combined 1,212 square kilometres of property in Guinea. On November 21, 2013, the Company obtained five new licenses to explore a combined 473 square kilometres within the previously held three licenses to explore a combined 1,212 square kilometres. The Company strategically reduced the Lola Property land package by 739 square kilometres during the year ended September 30, 2013. All five licenses have been renewed for a two year term effective to November 21, 2015.

The Lola Property is 100% owned by the Company and is located in eastern Guinea and is adjacent to the Samapleu Property across the border in Côte d'Ivoire.

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (Cont'd)

During the fifteen months ended December 31, 2015, management centralized its efforts in order to focus on its core exploration and evaluation assets; as a result, the Company recorded an impairment charge of \$959,222 against the carrying value of the Lola Property as there are no budgeted expenditures on this property in the foreseeable future and the licenses were not renewed at their expiration in November 2015.

C. Lola Graphite Property

On September 2, 2013, the Company obtained four licenses to explore a combined 380 square kilometres of property in Guinea. The Company has agreed to complete an exploration program of GNF 8,020,000,000 (approximately \$1,194,033 as at June 30, 2016) by September 2, 2016. The Lola Graphite Property is 100% owned by the Company and is located in eastern Guinea and is adjacent to the Samapleu Property across the border in Côte d'Ivoire.

D. Worofla Property

On November 7, 2012, the Company obtained Permit No. 301 ("PR301") which covers 400 square kilometres of property in Côte d'Ivoire.

In accordance with PR301, the Company must incur expenditure commitments of F CFA 353,000,000 (\$769,540 as at November 7, 2015) before November 7, 2015 (expenditure commitment not met). On October 13, 2015, the Company renewed certain terms of PR301 and has agreed to complete an exploration program of F CFA 390,590,000 (\$854,611 as at June 30, 2016) by October 13, 2018. Upon renewal, the Worofla Property was reduced to 300 square kilometers. The Worofla Property is 100% owned by the Company and is located 130 kilometres northeast of the Samapleu Property.

E. Zérégouiné Property

On December 19, 2012, the Company obtained Permit No. 300 ("PR300") which covers 394 square kilometres of property in Côte d'Ivoire.

In accordance with PR300, the Company must incur expenditure commitments of F CFA 640,000,000 (\$1,468,800 as at December 19, 2015) before December 19, 2015 (expenditure commitment not met). On October 13, 2015, the Company renewed certain terms of PR300 and has agreed to complete an exploration program of F CFA 614,000,000 (\$1,343,432 as at June 30, 2016) by October 13, 2018. Upon renewal, the Zérégouiné Property was reduced to 290 square kilometers. The Zérégouiné Property is 100% owned by the Company and is adjacent to the Samapleu Property.

F. Grata Property

On December 9, 2015, the Company obtained Permit No. 604 ("PR604") which covers 80 square kilometres of property in Côte d'Ivoire.

In accordance with PR604, the Company must incur expenditure commitments of F CFA 663,000,000 (approximately \$1,450,644 as at June 30, 2016) before December 9, 2019. The Grata Property is 100% owned by the Company and is located adjacent to the north-eastern boundary of the Samapleu Property.

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Summary:

	June 30, 2016	Activity	December 31, 2015
Samapleu Property			
Property acquisition costs and option payments	\$ 4,432,484	\$ -	\$ 4,432,484
Assaying	111,925	-	111,925
Geology and prospecting	2,291,760	39,933	2,251,827
Geophysics	1,044,158	96	1,044,062
Geochemistry	511,016	-	511,016
Drilling	4,705,318	11,699	4,693,619
Metallurgical tests	144,156	-	144,156
Camp operations, field supplies and expenses	4,538,953	86,231	4,452,722
	<u>17,779,770</u>	<u>137,959</u>	<u>17,641,811</u>
Lola Property			
Geology and prospecting	268,936	-	268,936
Drilling	90,859	-	90,859
Camp operations, field supplies and expenses	599,427	-	599,427
Impairment charge	(959,222)	-	(959,222)
	<u>-</u>	<u>-</u>	<u>-</u>
Lola Graphite Property			
Geology and prospecting	66,632	11,435	55,197
Geophysics	16	-	16
Geochemistry	12,140	-	12,140
Drilling	24,659	220	24,439
Metallurgical tests	13,174	7,829	5,345
Camp operations, field supplies and expenses	378,090	60,383	317,707
	<u>494,711</u>	<u>79,867</u>	<u>414,844</u>
Worofla Property			
Geology and prospecting	1,364	-	1,364
Geophysics	5,912	-	5,912
Camp operations, field supplies, and expenses	3,591	192	3,399
	<u>10,867</u>	<u>192</u>	<u>10,675</u>
Zéréguiné Property			
Geology and prospecting	228,360	22,884	205,476
Drilling	269,819	11,625	258,194
Geophysics	121,792	-	121,792
Geochemistry	8,674	-	8,674
Metallurgical tests	3,576	-	3,576
Camp operations, field supplies, and expenses	429,677	56,973	372,704
	<u>1,061,898</u>	<u>91,482</u>	<u>970,416</u>
Grata Property			
Drilling	15,455	15,455	-
Camp operations, field supplies, and expenses	31,403	31,403	-
	<u>46,858</u>	<u>46,858</u>	<u>-</u>
Total exploration and evaluation assets	<u>\$ 19,394,104</u>	<u>\$ 356,358</u>	<u>\$ 19,037,746</u>

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Exploration Equipment \$	Furniture \$	Software \$	Computer Equipment \$	Land and Buildings \$	Total \$
Cost						
Balance, September 30, 2014	1,342,080	29,684	29,079	18,107	41,861	1,460,811
Additions (disposals)	-	-	4,241	(529)	-	3,712
Balance, December 31, 2015	1,342,080	29,684	33,320	17,578	41,861	1,464,523
Additions (disposals)	(157,616)	(4,780)	-	-	2,219	(160,177)
Balance, June 30, 2016	<u>1,184,464</u>	<u>24,904</u>	<u>33,320</u>	<u>17,578</u>	<u>44,080</u>	<u>1,304,346</u>
Accumulated Depreciation						
Balance, September 30, 2014	537,094	12,891	29,079	11,075	11,526	601,665
Depreciation	201,320	4,178	2,519	2,402	7,535	217,954
Balance, December 31, 2015	738,414	17,069	31,598	13,477	19,061	819,619
Depreciation	(46,066)	(2,300)	1,722	601	2,372	(43,671)
Balance, June 30, 2016	<u>692,348</u>	<u>14,769</u>	<u>33,320</u>	<u>14,078</u>	<u>21,433</u>	<u>775,948</u>
Carrying Value						
Balance, September 30, 2014	804,986	16,793	-	7,032	30,335	859,146
Balance, December 31, 2015	603,666	12,615	1,722	4,101	22,800	644,904
Balance, June 30, 2016	<u>492,116</u>	<u>10,135</u>	<u>-</u>	<u>3,500</u>	<u>22,647</u>	<u>528,398</u>

5. CAPITAL

A. SHARES ISSUED

Authorized:

Unlimited number of voting common shares without par value.

Private Placements

On May 24, 2016, the Company completed the first tranche of a non-brokered private placement of 2,650,500 units at a price of \$0.10 per unit for total gross proceeds of \$265,050. Each unit is comprised of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at a price of \$0.15 for a period of 60 months from the date of issuance. The Company paid a cash commission of \$8,050 and issued 80,500 broker warrants to purchase common shares exercisable at a price of \$0.15 per share for a period of 60 months in connection with the closing of the first tranche of the brokered of the private placement. The fair value of the 80,500 finders' warrants was estimated at \$6,724 using the Black & Scholes option pricing formula with the following assumptions: expected dividend yield 0%, expected volatility 111.94%, risk free rate of return 0.75%, and expected maturity of five years.

On September 14, 2015, the Company completed the second tranche of a non-brokered private placement of 4,234,999 units at a price of \$0.15 per unit for total gross proceeds of \$635,250. Each unit is comprised of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at a price of \$0.25 per share for a period of 60 months from the date of issuance.

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

5. CAPITAL

A. SHARES ISSUED (Cont'd)

On August 26, 2015, the Company completed the first tranche of a brokered private placement of 4,903,000 units at a price of \$0.15 per unit for total gross proceeds of \$735,450. Each unit is comprised of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at a price of \$0.25 per share for a period of 60 months from the date of issuance. The Company paid a cash commission of \$58,836 and issued 392,240 broker warrants to purchase common shares exercisable at a price of \$0.25 per share for a period of 60 months in connection with the closing of the brokered tranche of the private placement. The fair value of the 392,240 finders' warrants was estimated at \$23,651 using the Black & Scholes option pricing formula with the following assumptions: expected dividend yield 0%, expected volatility 108.72%, risk free rate of return 0.72%, and expected maturity of five years.

On February 6, 2015, the Company completed the second tranche of a non-brokered private placement of 180,909 units at a price of \$0.22 per unit for total gross proceeds of \$39,800. Each unit is comprised of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase for a period of twenty-four months from the date of issuance, one additional share for \$0.28. The Company paid a cash commission of approximately \$264 in finder's fees and issued 1,200 finder's warrants in connection with the non-brokered private placement. Each finder's warrant will entitle the holder thereto to purchase for a period of twenty-four months one additional common share at an exercise price of \$0.28. The fair value of the 1,200 finders' warrants was estimated at \$141 using the Black & Scholes option pricing formula with the following assumptions: expected dividend yield 0%, expected volatility 122.52%, risk free rate of return 1.04%, and expected maturity of two years.

On December 19, 2014, the Company completed the first tranche of a non-brokered private placement of 5,811,092 units at a price of \$0.22 per unit for total gross proceeds of \$1,278,440. Each unit is comprised of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase for a period of twenty-four months from the date of issuance, one additional share for \$0.28. The Company paid a cash commission of approximately \$990 in finder's fees and issued 4,500 finder's warrants in connection with the non-brokered private placement. Each finder's warrant will entitle the holder thereto to purchase for a period of twenty-four months one additional common share at an exercise price of \$0.28. The fair value of the 4,500 finders' warrants was estimated at \$572 using the Black & Scholes option pricing formula with the following assumptions: expected dividend yield 0%, expected volatility 124.19%, risk free rate of return 1.04%, and expected maturity of two years. In connection with the private placement, the Company incurred \$23,406 in cash share issue costs.

B. SHARE PURCHASE WARRANTS

A summary of the Company's share purchase warrants and the changes for the period ended June 30, 2016 is as follows:

	Number of Warrants	Weighted average exercise price \$
As at December 31, 2015	19,004,434	0.25
Granted	2,731,000	0.15
Expired	(3,476,494)	0.20
As at June 30, 2016	18,258,940	0.24

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

5. CAPITAL (Cont'd)

B. SHARE PURCHASE WARRANTS (Cont'd)

A summary of the Company's share purchase warrants as at June 30, 2016 is as follows:

Number	Exercise Price \$	Expiry Date
5,815,592	0.28	December 19, 2016
182,109	0.28	February 6, 2017
5,295,240	0.25	August 26, 2020
4,234,999	0.25	September 14, 2020
2,731,000	0.15	May 19, 2021
18,258,940	0.24	

C. STOCK OPTIONS

The Company has adopted a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of each option ("Option") shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V and, in any event, the exercise price per Option will not be less than \$0.05, being the minimum exercise price allowable under TSX-V policy.

A summary of the Company's stock options and the changes for the period ended June 30, 2016 is as follows:

	Number of Options	Weighted average exercise price \$
As at December 31, 2015	9,285,000	0.26
Granted	400,000	0.15
Expired	(250,000)	0.47
As at June 30, 2016	9,435,000	0.25

During the six-month period ended June 30, 2016, the Company granted 400,000 stock options to consultants of the Company and 250,000 options expired. The weighted average grant-date fair value of the stock options granted in the period is \$0.04.

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

	June 30, 2016	June 30, 2015
Risk-free interest rate	0.55 – 0.56%	0.77 – 0.75%
Estimated volatility	112.6 – 114.3%	112 – 113.1%
Expected life	4.66 – 4.29 years	3.76 – 3.80 years
Expected dividend yield	0.00%	0.00%

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

5. CAPITAL (Cont'd)

C. STOCK OPTIONS (Cont'd)

As at June 30, 2016, the Company had outstanding stock options enabling holders to acquire common shares of the Company as follows:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
400,000	400,000	0.35	August 25, 2016
225,000	225,000	0.38	January 29, 2017
400,000	400,000	0.35	February 12, 2017
1,400,000	1,400,000	0.32	June 6, 2017
1,000,000	1,000,000	0.33	October 14, 2017
85,000	85,000	0.22	January 22, 2018
1,400,000	1,400,000	0.22	June 3, 2018
100,000	100,000	0.27	October 24, 2018
1,175,000	1,175,000	0.23	January 21, 2019
300,000	300,000	0.28	October 15, 2019
2,350,000	1,762,500	0.19	April 21, 2025
200,000	150,000	0.18	May 27, 2025
400,000	100,000	0.15	June 29, 2021
9,435,000	8,497,500		

6. FINANCIAL INSTRUMENT – FAIR VALUE

The Company's financial assets and liabilities approximate their fair values due to their relatively short periods to maturity.

7. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Six month period ended June 30, 2016	Six month period ended June 30, 2015
Exploration and evaluation assets included in accounts payable and accrued liabilities	\$ 218,078	\$ 200,060
Depreciation included in Exploration and evaluation assets	60,142	83,543
Finders warrants included in share issue costs	6,723	141

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

SAMA RESOURCES INC./RESSOURCES SAMA INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

8. EVENTS AFTER THE REPORTING PERIOD

On July 6, 2016, the Company and Section Rouge Media Inc. ("Section") announced that they have entered into an arm's length letter of intent dated June 23, 2016 to acquire 100% of the shares of Sama Resources Guinea SARL ("SRG"), a wholly-owned subsidiary of Sama resulting in a reverse takeover of Section as described below (the "Reverse Take-over" or the "Transaction"). SRG's principal asset is exploration permit N°2013/4543/MMG/DNM, known as the Lola Graphite Project, located near the town of Lola in eastern Republic of Guinea.

In connection with the Reverse Take-over, Section will acquire 100% of the shares of SRG in consideration of 20,000,000 common shares (the "Payment Shares") of Section. The deemed value per Share is CDN\$0.10, for a total purchase price of CDN\$2,000,000.

In connection with the Reverse Take-over, Section intends to conduct a concurrent private placement offering of common shares of Section at a price of \$0.10 for aggregate gross proceeds of not less than \$500,000 up to a maximum of \$1,000,000 (the "Concurrent Financing"). The Company may pay finders' fees in cash and issue finder's warrants in connection with the Concurrent Financing. Net proceeds from the Concurrent Financing will be used for the advancement of the Property and for general working capital purposes related thereto.

On July 29, 2016, the Company closed the second tranche of a non-brokered private placement by issuing 3,900,000 units at a price of \$0.10 per unit, for gross proceeds of \$390,000. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share at a price of \$0.15 per share for a period of 60 months. The Company paid a cash commission of \$2,800 in finder's fees and issued 98,000 finder's warrants in connection with the second tranche of the non-brokered private placement. Each finder's warrant will entitle the holder thereto to purchase for period of 60 months one additional share at an exercise price of \$0.15.

On August 9, 2016 the Company and Section announced that they have signed a definitive share exchange agreement with respect to the reverse take-over of Section.

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