SERENGETI
RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the Six-month Period Ended August 31, 2018 and 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 six-month period ended August 31, 2018.

(Expressed in Canadian Dollars - Unaudited)

	Notes	August 31, 2018	February 28, 2018
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 977,087	$ 1,032,838
Receivables	4	41,424	26,002
Prepaid expenses		28,387	15,952
		1,046,899	1,074,952
Non-current assets			
Equipment		1,856	2,183
Investment in joint venture	5	14,968,369	15,214,032
Exploration and evaluation assets	6	2,047,306	1,901,659
Reclamation deposits	7	31,760	94,284
		17,049,291	17,212,159
TOTAL ASSETS		**$ 18,096,189**	**$ 18,286,950**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8, 10	$ 117,705	$ 80,212
Deferred revenue	5	303,970	679,000
TOTAL LIABILITIES		**421,675**	**759,212**
SHAREHOLDERS' EQUITY			
Share capital	9	41,287,616	40,710,973
Warrant reserve	9	13,602	175,345
Other reserve	9	8,106,630	7,836,703
Deficit		(31,733,334)	(31,195,283)
TOTAL SHAREHOLDERS' EQUITY		**17,674,514**	**17,527,738**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 18,096,189**	**$ 18,286,950**

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

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

	Note	Three month period ended August 31, 2018	Three month period ended August 31, 2017	Six month period ended August 31, 2018	Six month period ended August 31, 2017
Expenses					
Consulting	10	$ 42,827	$ 45,464	$ 73,320	$ 66,108
Conventions and tradeshows		272	-	9,117	11,340
Depreciation		165	234	328	468
Director fees	10	12,500	-	25,000	-
Investor relations		6,042	11,066	16,168	30,766
Management fees	10	47,922	37,126	95,668	76,562
Office and miscellaneous		19,979	21,355	43,644	37,042
Professional fees		9,940	29,573	21,028	36,223
Project investigation costs		4,577	625	24,640	625
Share-based payments	9	-	-	231,104	-
Transfer agent and filing fees		8,282	9,193	17,838	12,443
		(152,506)	(154,636)	(557,855)	(271,577)
Other Items					
Impairment	6	(125,253)	-	(125,253)	-
Interest income		4,818	870	5,691	2,639
Share of joint venture loss	5	-	-	(1,894)	-
Other income	6	10,000	-	10,000	-
Management income	5	125,980	-	131,260	-
		15,545	870	19,804	2,639
Loss and comprehensive loss for the period		**$ (136,961)**	**$ (153,766)**	**$ (538,051)**	**$ (268,938)**
Loss per share – basic and diluted		**$ (0.00)**	**$ (0.00)**	**$ (0.01)**	**$ (0.00)**
Weighted average number of common shares outstanding		**90,242,081**	**81,278,467**	**88,518,569**	**77,556,796**

(Expressed in Canadian Dollars - Unaudited)

	Note	Share capital						
		Number of shares	Amount	Shares issuable	Warrant reserves	Other reserves	Deficit	Total Shareholders' Equity
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 issuance costs		-	(42,741)	-	-	-	-	(42,741)
Shares issued for cash - exercise of warrants		8,818,800	440,940	-	-	-	-	440,940
Shares issued for cash - exercise of stock options		25,000	2,000	-	-	-	-	2,000
Reallocation of fair market value of stock options exercised		-	1,224	-	-	(1,224)	-	-
Reallocation of fair market value of warrants exercised		-	53,168	-	(53,168)	-	-	-
Broker warrants issued		-	-	-	13,602			13,602
Shares issuable on warrant exercised		-	-	6,750	-	-	-	6,750
Net loss for the period		-	-	-	-	-	(268,938)	(268,938)
Balance at August 31, 2017		**85,889,621**	**$ 40,641,321**	**$ 6,750**	**$ 182,393**	**$ 7,835,410**	**$ (28,278,620)**	**$ 20,387,254**
Balance at February 28, 2018		**86,635,121**	**$ 40,710,973**	**$ -**	**$ 175,345**	**$ 7,836,703**	**$ (31,195,283)**	**$ 17,527,738**
Shares issued for cash - exercise of warrants	9	3,527,600	396,380	-	-	-	-	396,380
Shares issued for cash - exercise of stock options		400,000	39,000	-	-	-	-	39,000
Shares issued for acquisition of property interests	9	212,058	29,688	-	-	-	-	29,688
Share issuance costs	9	-	(11,345)	-	-	-	-	(11,345)
Reallocation of fair market value of warrants exercised		-	110,060	-	(110,060)	-	-	-
Reallocation of fair market value of stock options exercised		-	12,860	-	-	(12,860)	-	-
Reallocation of fair market value of warrants expired		-	-	-	(51,683)	51,683	-	-
Share-based payments	9	-	-	-	-	231,104	-	231,104
Net loss for the period		-	-	-	-	-	(538,051)	(538,051)
Balance at August 31, 2018		**90,774,779**	**$ 41,287,616**	**$ -**	**$ 13,602**	**$ 8,106,630**	**$ (31,733,334)**	**$ 17,674,514**

See accompanying notes to the condensed consolidated interim financial statements.

(Expressed in Canadian Dollars - Unaudited)

	Three month period ended August 31, 2018	Three month period ended August 31, 2017	Six month period ended August 31, 2018	Six month period ended August 31, 2017
Operating activities				
Net loss for the period	$ (136,961)	$ (153,766)	$ (538,051)	$ (268,938)
Adjustments for non-cash items:				
Depreciation	165	234	328	468
Share of joint venture loss	-	-	1,894	-
Impairment	125,253	-	125,253	-
Management fee income	(125,980)	-	(131,260)	-
Share-based payments	-	-	231,104	-
Changes in non-cash working capital items:				
Receivables	1,286	(805)	(13,771)	(4,520)
Prepaid expenses	(8,746)	(5,656)	(1,935)	(6,675)
Trade payables and accrued liabilities	47,021	(5,602)	15,248	(15,168)
Net cash flows used in operating activities	(97,962)	(165,595)	(311,190)	(294,833)
Investing activities				
Expenditures on exploration and evaluation assets	(190,733)	(79,495)	(231,118)	(184,839)
Reclamation deposits	62,524	(20,000)	62,524	(30,000)
Net cash flows used in investing activities	(128,209)	(99,495)	(168,594)	(214,839)
Financing activities				
Proceeds on issuance of common shares net of share issuance costs of $11,347 (2017: $42,741)	217,783	971,601	424,033	1,239,101
Shares issuable	-	6,750	-	6,750
Notes payable- repayments	-	(57,300)	-	(57,300)
Net cash flows provided by financing activities	217,783	921,051	424,033	1,188,551
Increase (decrease) in cash and cash equivalents	(8,388)	655,961	(55,751)	678,879
Cash and cash equivalents, beginning of period	985,475	429,369	1,032,838	406,451
Cash and cash equivalents, end of period	**$ 977,087**	**$ 1,085,330**	**$ 977,087**	**$ 1,085,330**

See accompanying notes to the condensed consolidated interim financial statements.

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.

Going concern

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 was not expected to continue operations for the foreseeable future. At August 31, 2018, the Company had not achieved profitable operations, had a net loss of $538,051 for the period ended August 31, 2018 and accumulated losses of $31,733,334 (February 28, 2018 - $31,195,283) since inception, 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 is in the process of completing a preliminary feasibility study on its Kwanika property that is funded by its joint venture partner. In addition, the Company has sufficient cash on hand to fund operations for the next twelve months. The Company's continuation as a going concern is dependent upon successful completion of the preliminary feasibility study on its Kwanika property 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 new accounting standards

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on October 29, 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, 2018 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, 2018.

2. Significant accounting policies and new accounting standards

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of March 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilize a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on March 1, 2018.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(Expressed in Canadian Dollars - Unaudited)

2. Significant accounting policies and new accounting standards (cont')

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Revenue from Contracts

The Company adopted all of the requirements of IFRS 15 Revenue from Contracts with Customers at March 1, 2018. As the Company does not have revenue from contracts with customers, the adoption of this new standard had no effect on its financial statements.

New accounting standards not yet adopted

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

3. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	August 31, 2018	February 28, 2018
Cash at bank	$ 749,587	$ 805,338
Guaranteed investment certificates	227,500	227,500
	$ 977,087	$ 1,032,838

4. Receivables

	August 31, 2018	February 28, 2018
Exploration costs recoverable from joint venture	19,941	12,281
HST / GST receivable	17,752	12,156
Other receivables	3,731	1,565
	$ 41,424	$ 26,002

(Expressed in Canadian Dollars - Unaudited)

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 and surrounding properties (the "Project"). Pursuant to the JVA, the respective interests of Serengeti and PDC in the Project have been transferred to KCC, which serves as the vehicle for the joint venture.

PDC contributed a total of $8,300,000 in cash and holds 8,200,000 million common shares of KCC (representing 35% of the total issued shares of KCC). Serengeti 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. During the year ended February 28, 2018, Serengeti received an operator's fee of $700,000. Of this amount, $303,970 is recorded as deferred revenue and will be recognized as income at 10% of budgeted Project expenditures as they are incurred. Management fee income of $131,260, representing 35% of the management fee income earned from the joint venture in the current period, has been recorded in the condensed consolidated interim statement of loss and comprehensive loss for the period ended August 31, 2018.

In addition to maintaining its Project interest, Serengeti will be granted a 1% Net Smelter Royalty ("NSR") if its Project interest is diluted below 50% and an additional 0.5% NSR if its interest is diluted below 33 ⅓%, subject to partial buyback provisions to KCC. KCC will have certain concentrate offtake rights from production on the project, subject to Serengeti's ability to enter into separate streaming arrangements.

During the year ended February 28, 2018, based on the valuation assigned to Kwanika and other properties that were transferred to KCC, Serengeti recorded an impairment of $1,841,910 on the Kwanika property and an impairment of $593,879 on other properties prior to their transfer to KCC for a total impairment of $2,435,789.

Summarized statement of financial position – Kwanika Copper Corporation

		August 31, 2018 (unaudited)
Current assets	$	4,228,327
Non-current assets		20,397,225
Total assets	**$**	**24,625,552**
Current liabilities	$	1,196,433
Shareholders' equity		
Common shares		
Serengeti Resources Inc.		15,228,571
Daewoo Minerals Canada Corporation		8,300,000
Deficit		(99,452)
Total shareholders' equity		23,429,119
Total equity and liabilities	**$**	**24,625,552**

(Expressed in Canadian Dollars - Unaudited)

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

Serengeti's share of the joint venture loss of $2,914 for the period from March 1, 2018 to August 31, 2018, was $1,894 and has been recorded in the Consolidated Statement of Loss and Comprehensive Loss for the current year.

Changes in the investment in joint venture for the period ended August 31, 2018 are as follows:

Balance February 28, 2018	$	15,214,032
Share of joint venture loss from March 1, 2018 to August 31, 2018		(1,894)
65% of management fee income earned from joint venture from March 1, 2018 to August 31, 2018		(243,769)
Balance August 31, 2018	$	14,968,369

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 period ended August 31, 2018:

		Atty		Milligan West		Other		Total
Property acquisition costs								
Balance, beginning of period	$	-	$	43,111	$	791,175	$	834,286
Additions		54,879		-		5,600		60,479
Balance, end of period	$	54,879	$	43,111	$	796,775	$	894,765
Exploration and evaluation costs								
Balance, beginning of year	$	-	$	513,115	$	554,258	$	1,067,373
Costs incurred during period:								
Aircraft		84,251		-		11,501		95,752
Analysis		3,662		-		-		3,662
Camp and operations		38,032		1,703		7,572		47,307
Consulting		43,822		228		9,759		53,809
Travel and accommodation		9,958		-		1,584		11,542
		179,725		1,931		30,416		212,072
Other items:								
Cost recoveries		-		(1,651)		-		(1,651)
Impairment		-		-		(125,253)		(125,253)
Balance, end of period	$	179,725	$	513,395	$	459,421	$	1,152,541
Total	$	234,604	$	556,506	$	1,256,196	$	2,047,306

6. Exploration and evaluation assets (cont'd)

a) Atty and ATG Claims

The Company entered into an agreement to acquire a 100% interest in the Atty property from Finlay Minerals Ltd. ("Finlay") and adjacent claims ("ATG Claims") from Electrum Resource Corp. ("Electrum") on March 4, 2018 and the agreement was approved by the TSX Venture Exchange on April 10, 2018.

In consideration for the interest in the Atty property the Company is required to complete aggregate exploration expenditures of $12,000,000 over eight years, of which $300,000 is required for 2018, make aggregate cash payments of $625,000 over eight years of which $25,000 was due on signing (paid), and make $975,000 in payments, payable in cash or shares of the Company, of which $25,000 was due on TSX approval of the transaction (172,058 shares and $568 cash were issued). Electrum is entitled to a net smelter return royalty of 3% on the property which may be reduced to 1.5% by making aggregate optional payments of $500,000.

The Company also agreed to make a payment of the lesser of $1,000,000 or the value of 500,000 shares of the Company upon a production decision for the property.

In consideration for the ATG Claims, the Company is required to issue 200,000 shares of the Company, of which 40,000 were to be issued on TSX approval (issued) with the remaining 160,000 shares to be issued at 40,000 shares per year for a period of four years.

b) Net Smelter Return Royalties – Thor Marmot and Deer Lake Properties

During the period ended August 31, 2018, the Company acquired net smelter return royalties of 0.75% on each of the Thor Marmot and Deer Lake Properties located in the Kemess and Kamloops Mining Districts from Electrum as well as a payment of $10,000 in exchange for Portable Assessment Credits that the Company transferred to Electrum to enable Electrum to advance the legacy claims on both properties for the maximum allowable five-year period.

c) 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.

d) Other B.C. Properties

Serengeti holds a 100% interest in sixteen other properties. All of the Company's current mineral properties are located in British Columbia. During the period ended August 31, 2018, the Company recorded an impairment of $125,253 on its Red Chris North properties.

7. 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.

(Expressed in Canadian Dollars - Unaudited)

7. Reclamation deposits (cont'd)

During the period ended August 31, 2018, the Company transferred the reclamation deposits for the Kwanika Copper property to KCC for a payment of $60,500.

		August 31, 2018		February 28, 2018
Balance, beginning of period	$	94,284	$	73,024
Changes in period		(62,524)		21,260
Balance, end of period	$	31,760	$	94,284

8. Trade payables and accrued liabilities

		August 31, 2018		February 28, 2018
Trade payables	$	87,958	$	57,847
Amounts due to related parties		14,790		4,280
Accrued liabilities		14,957		18,085
	$	117,705	$	80,212

9. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At August 31, 2018, there were 90,774,779 issued and fully paid common shares (February 28, 2018 – 86,635,121).

On April 9, 2018, 212,058 common shares were issued at a fair value of $29,688 in connection with the acquisition of a 100% interest in the Atty property and the ATG Claims. (See note 6).

During the period ended August 31, 2018, 3,527,600 warrants were exercised for gross proceeds of $396,380.

During the period ended August 31, 2018, 400,000 stock options were exercised for gross proceeds of $39,000.

Basic and diluted loss per share

The basic and diluted loss per share for the period ended August 31, 2018 was $0.01 (2017 - $0.00). The calculation of basic and diluted loss per share for the period ended August 31, 2018 was based on the loss attributable to common shareholders of $538,051 (2017 - $268,938) and the weighted average number of common shares outstanding of 88,518,569 (2017 – 77,556,796). The diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive. At August 31, 2018, the total number of potentially dilutive warrants was 2,335,800 (2017 – 5,195,600) and the total number of potentially dilutive stock options was 7,845,000 (2017 – 8,670,000). The aggregate number of potentially dilutive shares was 10,180,800 (2017 – 13,865,600).

(Expressed in Canadian Dollars - Unaudited)

9. Share capital and reserves (cont'd)

Warrants

The Company carried out a warrant exercise incentive program (the "Incentive Program") designed to encourage the early exercise of up to 3,306,000 of its outstanding unlisted warrants (the "Warrants"). The Warrants, exercisable at a price of $0.15 per common share until August 5, 2018, were originally issued by the Company as part of a unit private placement financing which closed on August 5, 2016. Pursuant to the Incentive Program, the Company offered an inducement to each Warrant holder that exercises their Warrants during a 20-calendar-day early exercise period, by the issuance of one additional share purchase warrant for each warrant early exercised. Each new warrant (the "Incentive Warrant") entitles the holder to purchase one additional common share of the Company for a period of 18 months from the date of issuance of such Incentive Warrant, at a price of $0.22. In connection with the Incentive Program, as of August 31, 2018, 2,200,000 warrants at an exercise price of $0.15 were exercised for gross proceeds of $330,000.

During the period ended August 31, 2018, 1,327,600 warrants at an exercise price of $0.05 were exercised for proceeds of $66,380.

During the period ended August 31, 2018, 1,186,700 warrants, exercisable at $0.15 per share, expired unexercised.

The following table summarizes information about the issued and outstanding warrants for the six-month period ended August 31, 2018, and the year ended February 28, 2018, as follows:

	August 31, 2018		February 28, 2018	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	4,850,100	$ 0.12	13,878,600	$ 0.08
Warrants issued	2,200,000	0.22	135,800	0.15
Warrants exercised	(3,527,600)	0.11	(9,164,300)	0.05
Warrants expired	(1,186,700)	0.15	-	-
Warrants outstanding, end of period	2,335,800	$ 0.22	4,850,100	$ 0.12

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.

During the period ended August 31, 2018, the Company granted 1,600,000 stock options exercisable at $0.15 per share for a period of 5 years and 200,000 stock options exercisable at $0.15 per share for a period of 2 years. All options vested upon grant.

During the period ended August 31, 2018, 400,000 options for gross proceeds of $39,000 were exercised.

During the period ended August 31, 2018, 1,825,000 stock options, exercisable at $0.12 per share, expired unexercised.

(Expressed in Canadian Dollars - Unaudited)

9. Share capital and reserves (cont'd)

Stock options *(cont'd)*

The changes in stock options during the period ended August 31, 2018, and the year ended February 28, 2018, are as follows:

	August 31, 2018		February 28, 2018	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of period	8,270,000	$ 0.10	8,545,000	$ 0.09
Options granted	1,800,000	0.15	150,000	0.20
Options exercised	(400,000)	0.10	(425,000)	0.06
Options expired	(1,825,000)	0.12	-	-
Options outstanding, end of period	7,845,000	$ 0.11	8,270,000	$ 0.10
Options exercisable, end of period	7,845,000	$ 0.11	8,195,000	$ 0.10

Details of options outstanding as at August 31, 2018 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.05 - $0.08	2.10 years	3,970,000	3,970,000
$0.14 - $0.20	4.08 years	3,875,000	3,875,000
	3.08 years	7,845,000	7,845,000

During the period ended August 31, 2018, the Company granted 1,800,000 (2017 – 150,000) stock options with a weighted average fair value of $0.12 (2017 – $0.20) per option. The Company recorded share-based compensation of $231,104 (2017 - $Nil) 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:

	August 31, 2018	August 31, 2017
Expected life of options	4.67 years	5 years
Annualized volatility	124.32%	110%
Risk-free interest rate	2.03%	1.52%
Dividend rate	0%	0%

Warrant and share-based payment reserves

The share-based payment and warrant reserves comprise stock-based compensation expense and other warrant payments. When stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

(Expressed in Canadian Dollars - Unaudited)

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 amounts owing for expense reimbursements (Note 8). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

		August 31, 2018		February 28, 2018
Directors and officers of the Company	$	14,790	$	4,280

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.

	Six Months Ended			
		August 31, 2018		August 31, 2017
Management fees (1)	$	93,178	$	84,000
Consulting (2)		61,659		35,046
Director fees		25,000		-
Share-based payments		195,074		-
	$	374,911	$	119,046

(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 $44,559 (2017: $23,799). A portion of consulting fees are allocated to share issuance costs.

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. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

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

Liquidity risk

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

11. Financial risk management (cont'd)

Liquidity risk *(cont'd)*

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

Interest rate risk

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

Capital Management

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

There were no changes in the Company's approach to capital management during the 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 deposits and trade payables. The fair value of these financial instruments 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.

12. Subsequent events

Subsequent to the period ended August 31, 2018, 600,000 stock options were exercised for proceeds of $42,750 and 129,800 warrants were exercised for proceeds of $22,970.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

INTRODUCTORY COMMENT

Serengeti Resources Inc. is a junior mineral exploration company listed on the TSX Venture Exchange under the trading symbol “SIR”. The Company’s exploration strategy emphasizes copper-gold projects in the Quesnel Trough of British Columbia, including the advancement of Kwanika – its principal resource-stage property, which is now held indirectly through its majority shareholding in Kwanika Copper Corporation, a related joint venture company. This Management Discussion and Analysis (“MD&A”) is dated October 29, 2018 and discloses specified information up to that date. Serengeti is classified as a “venture issuer” for the purposes of National Instrument 51-102. This MD&A should be read in conjunction with the Company’s condensed consolidated interim financial statements for the six-month period ended August 31, 2018, which are prepared in accordance with International Financial Reporting Standards as issued by the IASB applicable to interim financial statements.

Throughout this report we refer from time to time to “Serengeti”, “the Company”, “we”, “us”, “our” or “its”. All these terms are used in respect of Serengeti Resources Inc. which is the reporting issuer in this document. ***We recommend that readers consult the “Cautionary Statements” on the last page of this report.***

During the six months ended August 31, 2018, Serengeti had two principal areas of focus: advancement of its flagship Kwanika copper-gold resource-stage project located in British Columbia and maintenance of its extensive portfolio of properties in the Quesnel Trough of British Columbia.

HIGHLIGHTS

FINANCIAL CONDITION

We ended the fiscal quarter with a working capital position of $625,224 compared to $315,740 at February 28, 2018. The aggregate improvement in the working capital measure was $309,484. The increase in working capital is due to the deferred revenue recognized in the current period on the Kwanika project, based on the 10% operator fee.

During May and June 2018, Company carried out a warrant exercise incentive program (the "Incentive Program") designed to encourage the early exercise of up to 3,306,000 of its outstanding unlisted warrants (the "Warrants"). The Warrants, exercisable at a price of $0.15 per common share until August 5, 2018, were originally issued by the Company as part of a unit private placement financing which closed on August 5, 2016. Pursuant to the Incentive Program, the Company offered an inducement to each Warrant holder that exercised their Warrants during a 20-calendar-day early exercise period, by the issuance of one additional share purchase warrant for each warrant early exercised. Each new warrant (the "Incentive Warrant") entitled the holder to purchase one additional common share of the Company for a period of 18 months from the date of issuance of such Incentive Warrant, at a price of $0.22. In connection with the Incentive Program, 2,200,000 warrants at an exercise price of $0.15 were exercised for gross proceeds of $330,000.

During the period ended August 31, 2018, 1,327,600 warrants at an exercise price of $0.05 were exercised for gross proceeds of $66,380 and 400,000 options at a weighted average exercise price of $0.10 were exercised for gross proceeds of $39,000.

Subsequent to the period ended August 31, 2018, 600,000 options were exercised for gross proceeds of $42,750 and 129,800 warrants were exercised for gross proceeds of $22,970.

The Company is in the process of completing a Preliminary Feasibility Study (“PFS”) on its Kwanika property that is funded by its joint venture partner. In addition, the Company has sufficient cash on hand to fund operations for the next twelve months. The Company’s continuation as a going concern is dependent upon successful completion of the Preliminary Feasibility Study on its Kwanika property 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.

Financial Performance

Expenses and Net Loss

For the quarter ended August 31, 2018, the net loss was $136,961 compared to $153,766 for the quarter ended August 31, 2017, a decrease of $16,805. The decrease is principally attributable to:

- Interest income of $4,818 recorded in the current quarter;
- Other income of $10,000 recorded in the current quarter related to the transfer of Portable Assessment Credits to Electrum Resource Corp.

For the six-month period ended August 31, 2018, the net loss was $538,051 compared to $268,938 for the period ended August 31, 2017, an increase of $269,113. The increase is principally attributable to:

- Share-based payments expense of $231,104 for the period ended August 31, 2018, related to the issue of 1,800,000 stock options in the current period;
- An increase of $24,015 in project investigation costs;
- Director fees of $25,000 incurred in the current period;

Cash Flows

The Condensed Consolidated Interim Statements of Cash Flows shows that our net cash position decreased by $55,751 in the six-month period ended August 31, 2018. This decrease is attributable to $311,190 of cash consumed in operations and $168,594 for expenditures on exploration and evaluation assets. These cash outflows were largely offset by proceeds from the exercise of warrants and stock options for net cash proceeds of $424,033.

Liquidity and Capital Resources

Our working capital position is addressed above in the section Financial Condition and we believe we have adequate working capital to conduct our operations for the balance of the current fiscal year. We are in a position to meet our current obligations as they become due.

Major Operating Milestones

Joint Venture – Kwanika Copper Company

On November 24, 2017, Serengeti completed a transaction whereby Serengeti, POSCO DAEWOO Company (“PDC”) and Kwanika Copper Company (“KCC”) (formerly known as Daewoo Minerals Canada Company) 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.

Key terms of the JVA and KCC structure include the following:

- PDC contributed a total of $8.2 million in cash and holds 8,200,000 million common shares of KCC (representing 35% of the total issued shares of KCC).
- Serengeti contributed the Kwanika property, in exchange for 15,228,571 common shares of KCC (representing 65% of the total issued shares of KCC).
- Serengeti retains operatorship of the Project and is entitled to receive a $700,000 operator’s fee as the first disbursement from the Project funding.
- The Board of Directors of KCC consists of five individuals, three appointed by Serengeti and two appointed by PDC.

Kwanika Project Activity

A Preliminary Economic Assessment (PEA) was completed by Moose Mountain Technical Services on April 3, 2017 and an independent NI 43-101 compliant Technical Report was posted on SEDAR on April 28, 2017. The PEA evaluated a 15,000 tonne per day combined open pit and underground mining operation, centered on the highest-grade portion of the Central and South Zones on the Kwanika property. A summary of the results of the project evaluated in the PEA is as follows:

Kwanika Project PEA (2017) Production Statistics

Category		Units	First 8 Years	LOM
Tonnes Milled		Kt	43,201	78,855
Average Grade	Cu	%	0.466	0.381
	Au	g/t	0.539	0.357
	Ag	g/t	1.391	1.398
Metal Production	Cu	M lbs	403.462	600.635
	Au	Moz	0.561	0.673
	Ag	Moz	1.449	2.659
Throughput		tpd	15,000	
Mine Life		Yrs	15	
Net Cash Cost of Production (C1)* per lb Cu		US$	$0.70	$1.20

** Net Direct Cash Cost (C1) is an industry standard measure that represents the cash cost incurred at each processing stage, from mining through to recoverable metal delivered to market, less net by-product credits.*

Direct Cash Costs cover: Mining, ore freight and milling costs; Mine-site administration and general expenses; Concentrate freight, smelting and smelter general and administrative costs; Marketing costs (freight and selling).

2017 Project Base Case Economics:

Commodity Prices Assumed	US $2.90/lb Cu	$1270/oz Au	$19.00 / oz Ag
US$ / CDN$	0.77		
Initial CapEx	CDN $476 million		
LOM Sustaining Capital	CDN $37 million		
Cumulative Cash Flow (pretax/aftertax)	CDN $710 million / $475 million		
NPV at 5% (pretax/aftertax)	CDN $411 million / $255 million		
NPV at 7% (pretax/aftertax)	CDN $324 million / $191 million		
NPV at 8% (pretax/aftertax)	CDN $286 million / $163 million		
NPV at 10% (pretax/aftertax)	CDN $220 million / $114 million		
IRR (pretax/aftertax)	21.1%/16.6%		
Payback (pretax/aftertax)	3.7/4.0 years		

The PEA recommended advancing the project to a higher level of study leading to a PFS and eventually to a Feasibility Study. The immediate work will require field work and data gathering for Pre-Feasibility engineering and baseline environmental studies in preparation for consultation with First Nations, sustainability discussions with local stakeholders and preparations for permit applications with regulators. This will include additional drilling to improve the modelled resource classification, geotechnical drilling, starting long duration waste rock characterization studies, and background environmental field surveys.

The cost of this recommended program over a two-year time frame has been estimated at $6,985,000 and KCC is, at the date of writing, proceeding with the advancement of a PFS for the project. On May 17, 2018, KCC and the Company announced that Merit Consultants International had been selected to lead a consortium of geotechnical, environmental, metallurgical, resource, open pit and underground mining, tailings/waste/water management, hydrology and hydrogeology specialized consultants in the conduct of the PFS which is estimated to be completed in mid-2019.

On May 29, 2018, KCC announced that it had signed an exploration agreement with Takla Lake First Nation providing for communication protocols and mutually beneficial collaboration between KCC and Takla, thereby providing certainty to the Company as the Kwanika project advances through pre-feasibility.

On June 28, 2018, the Company announced that KCC had mobilized two diamond drills and technical crews to the Kwanika Copper Gold Project as part of the ongoing completion of the partner- funded PFS, expected in mid-2019. Approximately 8,000 meters of drilling was planned, including 6,600 meters in twelve holes in support of detailed open-pit and underground engineering design and resource upgrade drilling for the Central Zone, as well as deepening prior drill hole K-16-179 (which intercepted 59 metres grading 0.26% Cu and 0.29 g/t Au at 903 meters - SIR News Release dated September 22, 2016).

On September 11, 2018, the Company announced that KCC had completed the 2018 drilling program at Kwanika for total of 7,411 meters in 21 holes, as well as much of the field work directed at collecting engineering and environmental baseline work all related to the ongoing PFS on the property. On October 18, 2018, the results of the first holes of this program were released with the best intercept of 514 meters grading 0.64% copper and 0.80 g/t gold. Thirteen holes remain to be reported from this program at the date of this statement.

Other Projects

On March 4, 2018, Serengeti announced an option agreement to acquire a 100% interest in the Atty property from Finlay Minerals Ltd. and a similar interest in the adjacent ATG property from Electrum Resource Corp. ("Electrum"). Combined with the Company's UDS property, Serengeti now controls 6800 Ha of highly prospective ground immediately adjacent to the Kemess mining district and a substantial program of drill target development is planned for the current field season.

On August 9, 2018 the Company announced that it had begun a field program on the Atty optioned property located adjacent to the Kemess Mine and on September 24, 2018 reported the results of that program the principal finding of which was the identification of a high priority drill target known as the Kemess East Offset target.

On September 27, 2018, Serengeti announced the results of a geophysical program conducted on the Croy Bloom property, the principal finding of which was the identification strong induced polarization anomaly lying below the limits of prior drilling on the Soup Ridge portion of the property, which holes encountered encouraging values of copper and gold; the new target is a high priority for future drill testing. During the period ended August 31, 2018, the Company acquired net smelter return royalties of 0.75% on each of the Thor Marmot and Deer Lake Properties located in the Kemess and Kamloops Mining Districts from Electrum as well as a payment of $10,000 in exchange for Portable Assessment Credits that the Company transferred to Electrum to enable Electrum to advance the legacy claims on both properties for the maximum allowable five-year period.

Serengeti also holds a 100% interest in fifteen other properties and a 56.3% interest in one additional property in joint venture partnership with Fjordland Exploration Inc. Serengeti and Fjordland Exploration are jointly funding that project's current program. All properties are located in the Quesnel Trough of British Columbia. The Quesnel Trough is host to the Kemess, Mt. Milligan, Mt. Polley, New Afton, and Copper Mountain porphyry copper-gold deposits. Details of Serengeti's property portfolio in BC can be found on the Company's website at www.serengetiresources.com.

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Key management personnel compensation

During the six-month period ended August 31, 2018, the Company incurred salaries of $93,178 for David Moore, Chief Executive Officer, consulting fees of $44,559 paid to a company controlled by Sheri Rempel, Chief Financial

Officer, consulting fees of $17,100 paid to a company controlled by Pamela White, Corporate Secretary and director fees of $25,000.

OUTSTANDING SHARE DATA

Common shares, stock options and share purchase warrants issued and outstanding as at the quarter end are described in detail in Note 9 to the condensed consolidated interim financial statements dated August 31,2018, which as of October 29, 2018, are as follows:

	Number of shares	$	Number of options	Exercise price	Expiry date
Issued and outstanding	91,504,579	41,353,336			
			550,000	$0.06	Jan 16, 2019
			100,000	$0.15	Jan 30, 2019
			200,000	$0.15	Apr 11, 2020
			1,525,000	$0.05	Feb 10, 2021
			1,320,000	$0.07	Apr 27, 2021
			50,000	$0.095	July 7, 2021
			1,775,000	$0.15	Jan 30, 2022
			150,000	$0.20	Aug 9, 2022
			1,575,000	$0.15	Apr 10, 2023
			7,245,000	$0.11	

Number of warrants	Exercise price	Expiry date
56,000	$0.15	Jan 25, 2019
2,150,000	$0.22	Dec 12, 2019
2,206,000	$0.22	

Vancouver, British Columbia

October 29, 2018

We recommend that users of this report read the Cautionary Statements which follow.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, our joint venture expenditure commitments and other financial commitments, future participation by joint venture partners, and our other future plans and objectives, are forward-looking. Such forward-looking statements include, without limitation (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates about financings under way but not completed as of the date of this document. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.