TANZANIA MINERALS CORP.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

May 31, 2017

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Tanzania Minerals Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. These financial statements, along with the accompanying notes, have been reviewed and approved by the members of the Company's audit committee.

In accordance with Canadian Securities Administrators National Instruments 51-102, the Company discloses that these unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

TANZANIA MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

AS AT

	May 31, 2017	February 28, 2017
ASSETS		
Current		
Cash	$ 643	$ 731
Receivables	2,399	2,390
	3,042	3,121
Investment (Note 5)	10,000	10,000
Due from related party (Note 7)	30,000	30,000
	$ 43,042	$ 43,121
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 330,191	$ 330,611
SHAREHOLDERS' DEFICIENCY		
Capital stock (Note 6)	13,660,966	13,660,966
Reserves (Note 6)	2,514,841	2,514,841
Deficit	(17,354,985)	(17,356,270)
Accumulated other comprehensive income	892,029	892,973
	(287,149)	(287,490)
	$ 43,042	$ 43,121

Nature of operations (Note 1)
Going concern (Note 2)
Subsequent event (Note 11)

Approved on behalf of the Board on October 25, 2017:

Robert Dzisiak Director *James Walchuck* Director

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

TANZANIA MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
(Unaudited)

	May 31, 2017	May 31, 2016
Expenses		
General and administrative expenses	$ 269	$ 2,170
Professional fees	(1,553)	19,500
Net Income (Loss) for the period	1,285	(21,670)
Translation adjustment	(944)	3,136
Comprehensive income (loss) for the period	$ 341	$ (18,534)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	72,153,197	72,153,197

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

TANZANIA MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

		May 31, 2017		May 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (loss) for the period	$	1,285	$	(21,670)
Changes in non-cash working capital items:				
(Increase) decrease in receivables		(9)		271
Decrease in accounts payable and accrued liabilities		420		16,838
Net cash used in operating activities		1,696		(4,561)
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation expenditures		-		-
Net cash used in investing activities		-		-
Effect of foreign exchange rate changes on cash		(1,784)		-
Decrease in cash		(88)		(4,561)
Cash, beginning of year		732		7,609
Cash, end of period	$	643	$	3,048
Cash paid during the period for:				
Interest	$	-	$	-
Income taxes	$	-	$	-

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

TANZANIA MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock					
	Number	Amount	Reserves	Deficit	Accumulated Other Comprehensive Income	Total
Balance, February 28, 2016	**72,153,197**	**$13,660,966**	**$ 2,514,841**	**$ (17,260,454)**	**$ 891,876**	**$ (192,771)**
Loss for the period	-	-	-	(21,670)	-	(21,670)
Translation adjustment	-	-	-	-	3,136	3,136
Balance, May 31, 2016	**72,153,197**	**$ 13,660,966**	**$ 2,514,841**	**$ (17,282,124)**	**$ 895,012**	**$ 211,305**
Balance, February 29, 2017	**72,153,197**	**$13,660,966**	**2,514,841**	**(17,356,270)**	**892,973**	**(287,490)**
Net Income (loss) for the period	-	-	-	1,285	-	1,285
Translation adjustment	-	-	-	-	(944)	(944)
Balance, May 31, 2017	**72,153,197**	**$ 13,660,966**	**$ 2,514,841**	**$ (17,354,985)**	**$ 892,029**	**$ (287,149)**

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

1. NATURE OF OPERATIONS

Tanzania Minerals Corp.(the "Company") is an exploration stage company, and is in the business of exploration and evaluation of mineral properties in Tanzania, Africa through its wholly owned subsidiary, Tansmin Resources (Tanzania) Limited ("Tansmin"). The Company was incorporated under the laws of the British Columbia on June 29, 2007. The Company has its head office at #410-1040 West Georgia, Vancouver, BC V6E 4H1.

To date, the Company has not earned significant revenues, and is considered to be in the exploration stage.

On July 22, 2010, the Company closed a transaction with a private company, 0886490 B.C. Ltd. (previously named Tanzania Minerals Corp) ("Privco"), whereby the Company acquired 100% of the issued and outstanding shares of Privco by issuing 48,332,027 common shares of the Company. The Company subsequently changed its name from Hill Top Resources Corp. to Tanzania Minerals Corp. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "TZM." On September 16, 2016, trading in the Company's shares was suspended on the TSX-V.

2. GOING CONCERN

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the consolidated financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at May 31, 2017, the Company had a working capital deficit (excess of current liabilities over current assets) of \$327,149 (February 29, 2017 - \$327,490). The Company's liquidity is dependent on its ability to obtain additional equity financing.

The current market conditions and volatility increases the uncertainty of the Company's ability to continue as a going concern. The Company is experiencing negative cash flows from operations, and has an accumulated deficit. The Company will continue to search for new or alternate sources of financing in order to continue its operations. These material uncertainties and conditions may cast significant doubt as to the Company's ability to continue as a going concern.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. BASIS OF PRESENTATION

Statement of compliance

The condensed interim consolidated financial statements of the Company for the period ending May 31, 2017, including comparatives, are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, or available-for-sale, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 25, 2017.

Basis of measurement

The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

These condensed interim consolidated financial statements include the financial statements of the Company, Privco, and Tansmin, which are wholly owned, and controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of Privco and Tansmin are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Critical accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical judgments in applying accounting policies

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company and Privco has been determined to be the Canadian dollar, while the functional currency of Tansmin has been determined to be the United States ("US") dollar.

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements of the Company have been prepared in accordance with IFRS and reflect the following significant accounting policies:

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC"). The following has not yet been adopted by the Company and is being evaluated to determine its impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

5. INVESTMENT

During the year ended February 28, 2015, the Company received 1,000,000 common shares from Karoo as part of an option agreement (Note 6) and 250,000 common shares in order to extend the principal repayment to June 25, 2015, of the amount due from related party (Note 9). During the year ended February 29, 2016, the date was extended further to June 25, 2016 with no additional consideration given to the Company. The fair market value of the shares is as follows:

Balance, February 29, 2016	$	18,750
Fair market value adjustment		(8,750)
Balance, February 28, 2017		10,000
Fair market value adjustment		-
Balance, May 31, 2017	$	10,000

The Company considers the declines in value as permanent in nature.

6. CAPITAL STOCK AND RESERVES

The authorized capital stock of the Company is unlimited common shares without par value.

The authorized preferred shares of the Company are unlimited preferred shares without par value.

There were no capital stock transactions during the year ended February 28, 2017 or the period ended May 31, 2017.

Warrants

There were no warrants outstanding as at February 28, 2017 and May 31, 2017.

(Expressed in Canadian Dollars)

6. CAPITAL STOCK AND RESERVES (cont'd…)

Stock options

The Company has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and employees of the Company as well as persons providing ongoing services to the Company. The exercise price of options is to equal at least the market price of the Company's stock on the date of grant. Stock options are exercisable for a five-year term in accordance with TSX-V policy. The options vest at the discretion of the Board of Directors. The number of common shares reserved for issuance may not exceed 10% of the issued and outstanding common shares of the Company.

	Number of Stock Options	Weighted Average Exercise Price
Outstanding and exercisable at February 29, 2016	4,775,000	$ 0.39
Expired	(2,175,000)	0.79
Outstanding and exercisable at February 28, 2017	2,600,000	0.05
Expired	(150,000)	0.59
Outstanding and exercisable at May 31, 2017	2,450,000	$ 0.05

At May 31, 2017 the following stock options were outstanding and exercisable:

Outstanding and Exercisable	Exercise Price	Remaining Contractual Life (years)	Expiry Date
2,450,000	$ 0.05	2.48	November 24, 2019

Share-based payments

The Company recognizes share-based payments expense for all stock options granted using the fair value based method of accounting. There were no stock options granted during the year ended February 28, 2017 or the period ended May 31, 2017.

7. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS (cont'd…)

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the three months ended	
	May 31, 2017	May 31, 2016
Consulting and directors fees	$ -	$ 19,500
	$ -	$ 19,500

Other related parties

a) As at May 31, 2017, $83,885 (February 28, 2017, $136,026) was included in accounts payable due various related parties.

b) As at May 31, 2017, $30,000 (February 28, 2017, $30,000) was included in due from related party and is due from Karoo Exploration Corp. On March 9, 2017, the amounts owing from Karoo Exploration Corp. were assigned to a third party for $30,000. Accordingly, at February 29, 2016, the related party receivable was written down to $30,000 from $86,914.

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In the management of capital, the Company considers components of equity(deficiency).

The properties in which the Company currently has an interest are in the exploration stage as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, due from related party, investment, and accounts payable and accrued liabilities. The Company has classified its cash as fair value through profit or loss. The Company's receivables and due from related party are classified as loans and receivables. The Company's investment is classified as available for sale. The Company's accounts payable and accrued liabilities is classified as other financial liabilities. The fair value of the Company's receivables, and accounts payable and accrued liabilities approximate the carrying value, which is the amount on the consolidated statements of financial position due to their short-term maturities or ability of prompt liquidation. The Company's cash and investment, under the fair value hierarchy are measured at fair value, based on level one quoted prices in active markets for identical assets or liabilities.

As at May 31, 2017, the Company's risk exposures and the impact on the Company is financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as the majority of its cash is held at a large Canadian bank.

The Company's receivables consist mainly of input tax credits receivable from the Government of Canada, and amounts due from related parties and as a result the Company does not believe it is subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2017, the Company had cash and equivalents of $643 to settle current liabilities of $330,191. The Company's liquidity is dependent on its ability to obtain additional equity financing.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and an amount due from related party which bears interest. The Company has no interest bearing debt. The interest earned on cash and the amount due from related party is insignificant, and the Company does not rely on interest received to fund its operations. As a result, the Company is not at a significant risk to fluctuating interest rates.

b) Currency risk

The Company's operations are in Canada and Tanzania. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS (cont'd…)

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible".

The Company also has an insignificant amount of net assets denominated in the US dollar. A 10% change in the US dollar versus the Canadian dollar would also not have a significant impact on loss and comprehensive loss.

The Company also has an insignificant amount of net assets denominated in the Tanzanian shilling. A 10% change in the Tanzanian shilling versus the Canadian dollar would also not have a significant impact on loss and comprehensive loss.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As at May 31, 2017, the Company was exposed to price risk on its $10,000 investment. A 10% change in the share price of the investment would change comprehensive loss by approximately $1,000. The Company closely monitors commodity prices of gold and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties located in Tanzania. Geographic information is as follows:

	Total assets	Equipment	Exploration and evaluation assets	Investment	Due from related party	Other assets
May 31, 2017						
Canada	$ 43,042	$ -	$ -	$ 10,000	$ 30,000	$ 3,042
Tanzania	-	-	-	-	-	-
	$ 43,042	$ -	$ -	$ 10,000	$ 30,000	$ 3,042

(Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION (cont'd…)

	Total assets	Equipment	Exploration and evaluation assets	Investment	Due from related party	Other assets
February 28, 2017						
Canada	$ 43,121	$ -	$ -	$ 10,000	$ 30,000	$ 3,121
Tanzania	-	-	-	-	-	-
	$ 43,121	$ -	$ -	$ 10,000	$ 30,000	$ 3,121

11. SUBSEQUENT EVENT

On June 30, 2017, the Company announced the appointment of Grant Hall to the Board of Directors.