

TANZANIA MINERALS CORP.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

February 28, 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Tanzania Minerals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Tanzania Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2019 and 2018, and the consolidated statements of operations and comprehensive loss, cash flows and changes in shareholders' equity (deficiency) for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company has not generated revenue from operations and will require additional financing to maintain its operation and activities. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Harris.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

March 26, 2019

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

As at

	February 28, 2019	February 28, 2018
ASSETS		
Current		
Cash	\$ 110,912	\$ 734
Receivables	942	4,245
Prepaid expenses	6,700	-
	<u>\$ 118,554</u>	<u>\$ 4,979</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	<u>\$ 91,787</u>	<u>\$ 433,227</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 5)	14,244,852	13,660,966
Reserves (Note 5)	2,514,841	2,514,841
Deficit	(17,627,752)	(17,499,062)
Accumulated other comprehensive income	894,826	895,007
	<u>26,767</u>	<u>(428,248)</u>
	<u>\$ 118,554</u>	<u>\$ 4,979</u>

Nature of operations (Note 1)

Going concern (Note 2)

Proposed transaction (Note 11)

Subsequent event (Note 12)

Approved on behalf of the Board on March 26, 2019:

Robert Dzisiak

Director

Bev Funston

Director

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

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

For the years ended

	February 28, 2019	February 28, 2018
Expenses		
Consulting (Note 6)	\$ 12,500	\$ 58,250
General and administrative expenses	38,034	22,581
Professional fees (Note 6)	78,156	81,594
Gain on settlement of debt	-	(19,633)
Loss for the year	(128,690)	(142,792)
Translation adjustment	(181)	2,034
Comprehensive loss for the year	\$ (128,509)	\$ (140,758)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.06)
Weighted average number of common shares outstanding – basic and diluted	6,988,623	2,405,106

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

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

For the years ended

	February 28, 2019	February 28, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (128,690)	\$ (142,792)
Items not involving cash:		
Unrealized foreign exchange	(181)	2,034
Changes in non-cash working capital items:		
Decrease (increase) in receivables	3,303	(1,855)
(Increase) in prepaid expenses	(6,700)	-
(Decrease) increase in accounts payable and accrued liabilities	(341,440)	102,616
	<u>(473,708)</u>	<u>(39,997)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	-	10,000
Related party receivable	-	30,000
	<u>-</u>	<u>40,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital, net of share issuance costs (Note 5)	583,886	-
	<u>583,886</u>	<u>-</u>
Increase in cash	110,178	3
Cash, beginning of year	734	731
Cash, end of year	<u>\$ 110,912</u>	<u>\$ 734</u>
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

TANZANIA MINERALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves	Deficit	Accumulated Other Comprehensive Income	Total
	Number	Amount				
Balance, February 28, 2017	2,405,106	\$13,660,966	\$ 2,514,841	\$ (17,356,270)	\$ 892,973	\$ (287,490)
Loss for the year	-	-	-	(142,792)	-	358
Translation adjustment	-	-	-	-	2,034	1,694
Balance, February 28, 2018	2,405,106	13,660,966	2,514,841	(17,499,062)	895,007	(428,248)
Loss for the year	-	-	-	(128,690)	-	(128,690)
Issuance of share capital	6,999,932	629,994	-	-	-	629,994
Share issue costs	-	(46,108)	-	-	-	(46,108)
Translation adjustment	-	-	-	-	(181)	(181)
Balance, February 28, 2019	9,405,038	\$ 14,244,852	\$ 2,514,841	\$ (17,627,752)	\$ 894,826	\$ 26,767

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

TANZANIA MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Tanzania Minerals Corp. (the “Company”) is an exploration stage company and was in the business of exploration and evaluation of mineral properties in Tanzania, Africa through its 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 300 Bellevue Centre, 235 15th Street, West Vancouver, BC V7T 2X1.

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

On April 26, 2018, the Company consolidated its share capital on the basis of one post consolidated common share for every 30 pre-consolidated common shares. All common share and per common share amounts, including options, in these financial statements have been adjusted to give retroactive effect to the share consolidation (Note 5).

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 February 28, 2019, the Company had a working capital surplus (deficit) of \$26,767 (February 28, 2018 – (\$428,248)). The Company’s liquidity is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

The Company has not generated revenue from operations and will require additional financing to maintain its operations and activities. These material uncertainties and conditions may cast significant doubt as to the Company’s ability to continue as a going concern.

The 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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements were authorized for issue by the Board of Directors on March 26, 2019.

Basis of measurement

These consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

These consolidated financial statements include the financial statements of the Company, 0886940 B.C. Ltd., 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 to obtain benefits from its activities. The financial statements of the Company’s subsidiary 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 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 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 0886940 B.C. Ltd. has been determined to be the Canadian dollar, while the functional currency of Tansmin has been determined to be the United States (“US”) dollar.

3. BASIS OF PRESENTATION (cont'd...)

Critical accounting judgments and estimates (cont'd...)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting our consolidated financial statements include:

Fair value of share-based payments

Determining the fair value of compensatory warrants and stock options granted requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. The value of any share-based payments expense for the year, along with the assumptions and model used for estimating the fair value for share-based payment transactions are disclosed in Note 5.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

4. SIGNIFICANT ACCOUNTING POLICIES

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

Financial instruments

The Company adopted all of the requirements of IFRS 9 – *Financial instruments* (“*IFRS 9*”) as of January 1, 2018. IFRS 9 replaces IAS 39 – *Financial Instruments: Recognition and Measurement* (“*IAS 39*”). IFRS 9 utilizes 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Classification

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

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 the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost

The Company did not restate prior periods and determined that the adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 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 profit or 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

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

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.

Exploration and evaluation assets

Once the legal right to explore a property has been acquired, costs related to the acquisition and exploration of evaluation and exploration assets are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. Each of the Company's evaluation and exploration assets is considered to be a cash generating unit. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation asset. If payments received exceed the capitalized cost of the exploration and evaluation asset, the excess is recognized as income in the year received. The amounts shown for evaluation and exploration assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Future reclamation costs

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of evaluation and exploration assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

For the years presented, the Company does not have any significant future reclamation costs.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company and 0886940 B.C. Ltd. is the Canadian dollar, and the functional currency of Tansmin is the United States dollar.

Accordingly, the accounts of Tansmin are translated into Canadian dollars as follows:

- all of the assets and liabilities are translated at the rate of exchange in effect on the date of the statement of financial position;
- revenue and expenses are translated at the exchange rate approximating those in effect on the date of the transactions; and
- exchange gains and losses arising from translation are included in accumulated other comprehensive income.

Transactions in currencies other than the functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potential common shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the year, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probably that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probably that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Gains and losses that would otherwise be recorded as part of net earnings is presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. The Company's translation of its subsidiary (Tansmin) into Canadian dollars is the only item affecting comprehensive income (loss) for the years presented.

Future changes in accounting policies

The following new accounting standard has been issued, but is not yet effective:

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify lease as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

The eventual application of this standard is not expected to have significant impact on the Company's financial statements.

5. 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 is unlimited preferred shares without par value.

There were no capital stock transactions during the year ended February 28, 2018.

On April 26, 2018, the Company consolidated its share capital on the basis of one post consolidated common share for every 30 pre-consolidated common shares. All common share and per common share amounts, including options and warrants, in these financial statements have been adjusted to give retroactive effect to the share consolidation.

On July 4, 2018 the Company completed a private placement offering of \$629,994 based on the issuance of 6,999,932 units at a price of \$0.09 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.12 until July 4, 2019. The Company paid finder's fees of \$36,606 and legal and filing fees of \$9,503.

TANZANIA MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

5. CAPITAL STOCK AND RESERVES (cont'd...)

Warrants

There were no warrants outstanding as at February 28, 2018.

The following is a summary of warrants outstanding as at February 28, 2019:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 28, 2019	6,999,932	\$0.12

As at February 28, 2019, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Expiry Date
6,999,932	\$ 0.12	July 4, 2019

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 28, 2017	86,667	\$ 1.50
Expired	(21,667)	1.50
Outstanding and exercisable at February 28, 2018	65,000	1.50
Expired	(50,833)	1.50
Outstanding and exercisable at February 28, 2019	14,167	\$ 1.50

TANZANIA MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

5. CAPITAL STOCK AND RESERVES (cont'd...)

Stock options (cont'd...)

At February 28, 2019 the following stock options were outstanding and exercisable:

Outstanding and Exercisable	Exercise Price	Remaining Contractual Life (years)	Expiry Date
14,167	\$ 1.50	0.74	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 years ended February 28, 2018 or 2019.

6. 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:

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 year ended	
	February 28, 2019	February 28, 2018
Consulting and professional fees	\$ 44,500	\$ 99,000
	\$ 44,500	\$ 99,000

Other related parties

As at February 28, 2019, \$2,176 (February 28, 2018, \$74,955) was included in accounts payable due to the CEO and CFO of the Company. During the February 28, 2018 fiscal year, \$190,250 owing to related parties were assigned to a third party.

As at February 28, 2017, \$30,000 was included in due from related party and was due from American Helium Inc. (formerly Karoo Exploration Corp.) On March 9, 2017, the amounts owing from American Helium Inc. (formerly Karoo Exploration Corp.) were settled to a third party for \$30,000.

7. 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 shareholders' equity(deficiency).

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.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, and accounts payable. The carrying value of receivables and accounts payable approximate their fair values due to the short-term nature of these instruments.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company's cash is measured using level 1 inputs.

As at February 28, 2019, 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 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 February 28, 2019, the Company had cash of \$110,912 to settle current liabilities of \$91,787. The Company's liquidity is dependent on its ability to obtain additional equity financing.

TANZANIA MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (cont'd...)

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 has no interest-bearing debt. The interest earned on cash is insignificant, and the Company does not rely on interest received to fund its operations. As a result, the Company is not subject to significant interest rate risk.

b) Currency risk

The Company's operations are in Canada and accordingly the Company is not subject to significant foreign currency risk.

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. 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.

9. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties.

10. INCOME TAXES

Following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

	February 28, 2019	February 28, 2018
Loss for the year	\$ (128,690)	\$ (142,792)
Expected income tax recoverable at statutory rate	(34,746)	(38,554)
Change in statutory, foreign tax, and other	46,746	287,648
Change in unrecognized deductible temporary differences	(12,000)	(2,257,094)
Adjustment to prior years provision versus statutory tax return	-	(13,000)
Expiry of non-capital losses	-	2,021,000
Total income taxes	\$ -	\$ -

TANZANIA MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

10. INCOME TAXES (cont'd...)

The significant unrecognized deductible temporary differences, unused tax losses and expiry dates are as follows:

	February 28, 2019		February 28, 2018	
Exploration and evaluation assets	\$ 1,493,000	no expiry	\$ 1,493,000	no expiry
Equipment	150,000	no expiry	158,000	no expiry
Allowable capital losses-Canada	15,000	no expiry	15,000	no expiry
Non-capital losses available for future periods-Tanzania	4,018,000	no expiry	4,231,000	no expiry
Non-capital losses available for future periods-Canada	588,000	2028 - 2039	460,000	2027 - 2038

Tax attributes are subject to review, and potential adjustment, by tax authorities.

11. PROPOSED TRANSACTION

The Company entered into a letter agreement dated November 2, 2018 with Jushi Inc. (“Jushi”). The letter agreement outlines the proposed terms and conditions pursuant to which the Company and Jushi will effect a business combination that will result in a reverse takeover of the Company by the security holders of Jushi.

Completion of the proposed transaction is subject to a number of conditions, including receipt of all necessary shareholder and regulatory approvals.

In connection with the proposed transaction, the Company will be required to, among other things: (i) change its name to a name requested by Jushi and acceptable to applicable regulatory authorities; (ii) consolidate its outstanding shares on a basis to be determined; (iii) replace all directors and officers of the Company on closing of the proposed transaction with nominees of Jushi; and (iv) create a new class of non-participating super voting shares.

12. SUBSEQUENT EVENT

On March 25, 2019, the Company sold its inactive wholly-owned subsidiary 0886940 B.C. Ltd. to a director of the Company for nominal consideration. Tansmin Resources (Tanzania) Limited is owned by 0886940 B.C. Ltd. and, accordingly, is also disposed of.