



TANTALEX CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

May 31, 2013

TANTALEX CORPORATION

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

May 31, 2013

Table of Content

Consolidated Statement of Financial Position	1
Consolidated Statement of Comprehensive Loss	2
Consolidated Statement of Changes in Equity	3
Consolidated Statement of Cash Flows	4
Consolidated Notes	5-13

Condensed Interim Consolidated Statement of Financial Position

as at May 31, 2013

(unaudited)

<i>(in Canadian dollars)</i>	Notes	May 31, 2013	February 28, 2013
		\$	\$
ASSETS			
Current			
Cash		151,573	99,481
Accounts receivable		4,432	4,432
Goods and services tax receivable		55,332	46,203
		<u>211,337</u>	<u>150,116</u>
Non Current			
Exploration and evaluation assets	6	438,365	435,110
Property and equipment	7	4,113	4,381
Advances receivable		51,285	91,293
		<u>493,763</u>	<u>530,784</u>
Total Assets		705,100	680,900
LIABILITIES			
Current			
Trade payables		538,209	512,602
Accrued liabilities		3,000	20,336
Balance of sale	8	200,000	200,000
Subscription received in advance		145,000	-
Due to directors		335,765	352,209
Due to consultants		211,101	198,421
Due to related company		45,920	46,009
Debt		33,000	-
		<u>1,511,995</u>	<u>1,329,577</u>
Non-current			
Balance of sales	8	148,419	148,419
Convertible debentures	9	297,417	337,722
		<u>445,836</u>	<u>486,141</u>
Total Liabilities		1,957,831	1,815,718
SHAREHOLDERS' EQUITY			
Share capital	10.1	398,802	325,751
Equity component of convertible debentures	9	103,926	104,582
Warrants	10.2	100,864	56,915
Share options	10.3	339,299	339,299
Contributed surplus		275	275
Accumulated Other Comprehensive Income		1,131	1,069
Deficit		(2,197,028)	(1,962,709)
Total Equity		(1,252,731)	(1,134,818)
Total Liabilities and Equity		705,100	680,900

Going Concern Assumption (see Note 2)

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

Approved on Behalf of the Board

Director

Director

TANTALEX CORPORATION

Condensed Interim Consolidated Statement of Comprehensive Loss

for the 3 months period ended May 31, 2013 and 2012

(unaudited)

<i>(in Canadian dollars)</i>	Three months period ended May 31, 2013	Three months period ended May 31, 2012
	\$	\$
OPERATING AND ADMINISTRATIVE EXPENSES		
Travel fees	19,628	46,295
Business development	7,379	11,615
Office fees	9,437	1,082
Telecommunication	4,327	14,700
Lodging fees	-	239
Professionnal fees	52,536	41,531
Management fees	121,504	202,170
Rent	-	27,460
Financing fees	24,791	7,370
Bank fees	430	1,145
Depreciation – property and equipment	268	-
Shared-based compensation (Note 10.2)	-	28,397
Net Loss	240,300	382,003
Other Comprehensive Income		
Exchange differences on translating foreign operations	(62)	(29)
Total comprehensive loss for the period	240,238	381,974
Loss per Share		
Basic and Diluted Loss per Share	0.01	0.02

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

TANTALEX CORPORATION

Condensed Interim Consolidated Statement of Changes in Equity

for the 3 months period ended May 31, 2013 and 2012

(unaudited)

	Notes	Share Capital \$	Equity component of convertible debenture \$	Warrants \$	Share options \$	Contributed Surplus \$	Accumulated other comprehensive income \$	Deficit \$	Total Equity \$
<i>(in Canadian dollars)</i>									
Balance as at February 29, 2012		1,000	61,448	-	283,579	-	2,273	(593,693)	(245,393)
Share issued		-	-	-	-	-	-	-	-
Share issued for the acquisition of mining rights		-	-	-	-	-	-	-	-
Equity component of convertible debenture (net of	9	-	48,483	-	-	-	-	-	48,483
Share options		-	-	-	28,397	-	-	-	28,397
		1,000	48,483	-	28,397	-	-	-	76,880
Net loss		-	-	-	-	-	-	(382,003)	(382,003)
Other comprehensive loss		-	-	-	-	-	-	-	-
Exchange differences on translating foreign		-	-	-	-	-	(29)	-	(29)
Total comprehensive loss		-	-	-	-	-	(29)	(382,003)	(382,032)
Balance as at May 31, 2012		1,000	109,931	-	311,976	-	2,244	(975,696)	(550,545)
Balance as at February 28, 2013		325,751	104,582	56,915	339,299	275	1,069	(1,962,709)	(1,134,818)
Share issued	10.1	44,262	-	22,738	-	-	-	-	67,000
Conversion of convertible debenture	9	28,789	(656)	21,211	-	-	-	5,919	55,263
Warrants	10.2	-	-	-	-	-	-	-	-
		73,051	(656)	43,949	-	-	-	5,919	122,263
Net loss		-	-	-	-	-	-	(240,238)	(240,238)
Other comprehensive loss		-	-	-	-	-	-	-	-
Exchange differences on translating foreign		-	-	-	-	-	62	-	62
Total comprehensive loss		-	-	-	-	-	62	(240,238)	(240,176)
Balance as at May 31, 2013		398,802	103,926	100,864	339,299	275	1,131	(2,197,028)	(1,252,731)

Going concern (note 2)

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

TANTALEX CORPORATION

Condensed Interim Consolidated Statement of Cash Flows

for the 3 months period ended May 31, 2013 and 2012

(unaudited)

<i>(in Canadian dollars)</i>	Three months period ended May 31, 2013 \$	Three months period ended May 31, 2012 \$
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Net Loss	(240,300)	(382,003)
Non-cash items:		
Effective interest expenses	4,763	2,183
Interest on convertible debenture	10,197	5,187
Share-based compensation	-	28,397
Depreciation – property and equipment	268	-
Change in working capital items :		
Goods and services Tax Receivable	(9,129)	(18,328)
Trade payables	22,352	63,617
Accrued liabilities	(17,336)	-
Due to directors	(16,445)	126,000
Due to consultants	12,680	48,170
Net cash flows used in operating activities	(232,950)	(126,777)
INVESTING ACTIVITIES		
Additions to exploration and evaluation asset	-	-
Advances receivable	40,008	(10,730)
Net cash flows used in investing activities	40,008	(10,730)
FINANCING ACTIVITIES		
Due to a related company	-	(2,262)
Debt	33,000	-
Subscription received in advance	145,000	-
Issuance of share capital	67,000	-
Convertible debenture	-	150,000
Net cash flows from financing activities	245,000	147,738
Net increase in cash during the period	52,058	10,231
Cash at beginning of the period	99,481	2,422
Effect of exchange rate fluctuation on cash held in foreign currency	34	92
Cash at end of period	151,573	12,745
Supplemental schedule of non-cash investing and financing activities		
Changes in exploration and evaluation assets included in trade payables	3,255	31,626
Shares issued in consideration of convertible debenture	50,000	-
Due to directors converted into debt	-	75,000

Going concern (note 2)

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

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

1. NATURE OF OPERATIONS

Tantalex Corporation ("Tantalex" or "the Company") and its subsidiaries (hereinafter the "Group"), are involved in exploration for Tantalum ore in Africa and own mining rights for a Tantalum project in the Republic of Congo.

2. GOING CONCERN ASSUMPTION

The interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and on the basis of the going concern assumption, meaning the Group will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Group has not yet determined whether its mineral properties contain minerals deposits that are economically recoverable, the Group has not yet generated income nor cash flows from its operations. As at May 31, 2013, the Group has a negative working capital of \$1,356,623 (\$1,179,461 as at February 28, 2013) and a deficit of \$2,194,603 (\$1,962,709 as at February 28, 2013). These material uncertainties cast significant doubt regarding the Group's ability to continue as a going concern.

Tantalex Corporation ("Tantalex") and Lynnwood Capital Inc. ("Lynnwood ") signed an Amalgamation Agreement on March 27, 2013, pursuant to which and subject to shareholder and regulatory approval, Lynnwood and Tantalex will amalgamate (see note 21). Under the terms of the agreement, the currently publicly listed shares of Lynnwood will be consolidated on a 1.8324:1 basis and the shares of Tantalex will be exchanged for 1 post-consolidation Lynnwood share for every 1 Tantalex common shares.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the classification used in the consolidated statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, such adjustments could be significant.

3. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

These condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards for complete financial statements for year end reporting purposes.

Tantalex Corporation is the Group's ultimate parent company.

Tantalex Corporation is incorporated under the Canada Business Corporations Act. since October 5, 2011. The address of Tantalex Corporation registered office and its principal place of business is 3 place du Commerce, suite 500, Montreal, Quebec. The Group is a private company as at May 31, 2013.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Basis of preparation

These condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended February 28, 2013, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these unaudited condensed interim financial statements are consistent with those of the previous financial year ended February 28, 2013.

4.2 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries. Subsidiaries are entities over which the Group has the power to control the financial and operating policies. The Group's subsidiaries are all 100% owned by the parent company or by the controlled subsidiary itself. All subsidiaries have a reporting date of February 28.

All transactions and balances between Group companies are eliminated upon consolidation, including unrealized gains and losses on transactions between Group companies. When unrealized losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

Subsidiaries

Details of the Company's subsidiaries as at May 31, 2013 are as follows:

Name of subsidiaries	Principal activity	Country of incorporation	Percentage of ownership	
			Interest and voting	Power held
Sandstone Worldwide Hd.	Holding company	Bahamas	100%	100%
Sadem Congo S.A.R.L.(100% Held by Sandstone Worldwide Hd)	Mineral exploration	Republic of Congo	100%	100%

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

In preparing these condensed interim consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the period ended February 28, 2013.

6. EXPLORATION AND EVALUATION ASSETS

	Balance as at December 31, 2011	Additions	Balance as at February 28, 2013
	Republic of Congo	\$	\$
Mining rights (1)	348,669	-	348,669
Exploration and evaluation expenses (2)	21,835	64,606	86,441
	370,504	64,606	435,110

	Balance as at February 28, 2013	Additions	Balance as at May 31, 2013
	Republic of Congo	\$	\$
Mining rights (1)	348,669	-	348,669
Exploration and evaluation expenses (2)	86,441	3,254	89,695
	435,110	3,254	438,364

(1) The mining rights are related to the acquisition of Sadem Congo S.A.R.L. (see note 8)

(2) The exploration and evaluation assets include geologist fees that were assumed by Tantalex Corporation for work performed on the awarded concession area in the Republic of Congo.

Africa

Republic of Congo

As at May 31, 2013, the Group had four Tantalum/Niobium prospecting mining concessions in the Republic of Congo totalling 4,050km2, located in the Matsanga Marala zone, in the Niari department. The four exclusive concessions were awarded in June 2012.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

7. PROPERTY AND EQUIPMENT

	Office Furniture
	\$
Gross carrying amount	
Balance at December 31, 2011	5,693
Additions	-
Balance at February 28, 2013	<u>5,693</u>
Accumulated depreciation and impairment	
Balance at December 31, 2011	95
Additions	1,217
Balance at February 28, 2013	<u>1,312</u>
Carrying amount at February 28, 2013	<u>4,381</u>
Gross carrying amount	
Balance at February 28, 2013	5,693
Additions	-
Balance at May 31, 2013	<u>5,693</u>
Accumulated depreciation and impairment	
Balance at February 28, 2013	1,312
Additions	268
Balance at May 31, 2013	<u>1,580</u>
Carrying amount at May 31, 2013	<u>4,113</u>

8. ASSET ACQUISITION

On October 20, 2011, the company acquired 100% of the outstanding common shares of SADEM Congo S.A.R.L. ("SADEM"), a mining exploration company which owns a mineral property in the Republic of Congo, for a total consideration of \$348,419 payable via the issue of 25% of the outstanding common shares of Tantalex Corporation and a deferred balance of sales of \$400,000. The terms of payments of the balance of sale are as follows:

- A payment of \$200,000 is due upon the conversion of the initial prospecting permit into four explorations mining permits by SADEM.
- A payment of \$200,000 is due when Tantalex Corporation has successfully filed a National Instrument 43-101 technical report stating inferred resources with the Canadian securities authorities.

As at May 31, 2013, only the first condition was met.

The acquisition was accounted as an asset acquisition as it did not have the mineral reserve and other inputs, nor any significant processes that would make it capable of producing outputs, and consequently of being considered a business.

At acquisition date, the asset is recognized at cost. The cost is the fair value of the total consideration given. The fair value of the balance of sale was calculated by using the best estimates of when the payments will occur, using an effective rate of 22%.

The estimated maturity of the second condition was initially made with the best estimate possible at the time of the transaction. An accretion expense of \$38,754 was recognized in profit or loss as financial cost as at February 28, 2013. Since then, new informations were made available which changed the first estimate and the company reevaluated the fair value of total consideration as at year end. The difference of \$38,754 were recognized in profit or loss as financial cost as at February 28, 2013.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

9. CONVERTIBLE DEBENTURES

	May 31, 2013	February 28, 2013
	\$	\$
Allocation of gross proceeds of financing		
Principal amount of debenture	-	300,000
Fair value of debt component	-	207,864
Discount on debt component	-	952
Fair value of equity component (net of deferred tax liabilities of \$17,325 in February 28, 2013)	-	73,858
Convertible debenture debt component:		
Balance at beginning of the period	337,722	62,166
Additions	-	207,864
Accretion	4,763	25,124
Accrued interest	10,197	41,616
Shares conversion	(50,000)	
Ajustment	(5,265)	
Discount on debt component	-	952
Balance at the end of the period	297,417	337,722
Equity component:		
Balance at beginning of the period	104,582	30,724
Additions		73,858
Shares conversion	(656)	-
Balance of the equity component at the end of the period	103,926	104,582

The Debenture, issued on January 19, 2012, bears interest at a rate of 10% per annum, and matures in January 2017. The Debenture holder has the option to convert the principal and accrued interests at all time into Common Shares at a price of \$0.05 (\$0.10 prior to share split made on July 1, 2012) per share.

The Debenture, issued on March 14, 2012, bears interest at a rate of 10% per annum, and matures in March 2017. The Debenture holder has the option to convert the principal and accrued interests at all time into Common Shares at a price of \$0.05 (\$0.10 prior to share split made on July 1, 2012) per share.

The Debenture, issued on May 17, 2012, bears interest at a rate of 10% per annum, and matures in May 2017. The Debenture holder has the option to convert the principal and accrued interests at all time into Common Shares at a price of \$0.05 (\$0.10 prior to share split made on July 1, 2012) per share.

The Debenture, issued on May 17, 2012, bears interest at a rate of 10% per annum, and matures in May 2017. Upon the closing of a going public transaction whereby the Common Shares of the Corporation are listed on a Canadian exchange, the principal amount of the Debenture, plus accrued and unpaid interest thereon, shall be automatically converted into Common Shares at a price equal to a twenty percent (20%) discount of the price of any concurrent distribution of the Common Shares upon the closing of the going public transaction. On April 1, 2013, the debenture was converted into 390,625 units at a conversion price of \$0.128.

The effective rate used in the calculation of the fair value of the debt component is 22%.

The effective rate used in the calculation of the fair value of the last debenture was 30%.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

10. EQUITY

10.1 Share capital

The share capital of Tantalex Corporation consists only of fully paid common shares.

Authorized

Unlimited number of shares without par value. All shares are equally admissible to receive dividends and the repayment of capital, and represent one vote each at the shareholders' meeting of Tantalex.

	Number of shares	Amount
Shares issued and fully paid		\$
Balance - December 31, 2011	20,000,000	1,000
Private placement (ii)	1,956,250	255,120
Exercise of stock options	175,824	9,029
Conversion of debt and payables (iii)	493,750	65,131
Issuance of seed shares (iv)	700,000	91,289
Buy-back shares (v)	(6,700,000)	(275)
Issuance cost (net of deferred tax liabilities of \$18,156)	-	(95,543)
Balance - February 28, 2013	16,625,824	325,751
Private placement (ii)	418,750	44,262
Conversion of convertible debenture (vi)	390,625	28,789
Total shares issued and fully paid at May 31, 2013	17,435,199	398,802

(i) The Company has made a share split on July 1, 2012 of all of the issued and outstanding common shares on a basis of two (2) common shares for every one (1) existing common share held. All common shares and per common share amounts have been restated to retroactively reflect the share split.

(ii) On December 28, 2012, the Company issued 1,956,250 units at a price of \$0.16 for a total gross proceeds of \$313,000. Each unit consists of one common share and one warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of \$0.35 for a period of 24 months following the listing of the company. A sum of \$255,120 was allocated to share capital while \$57,880 was allocated to the warrants. Issuance cost of \$5,219 were recorded as a reduction of share capital and warrants on a prorata basis.

On April 1, 2013, Tantalex issued 418,750 units at a price of \$0.16 for a total gross proceeds of \$67,000. Each unit consist of one common share and one warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of \$0.35 for a period of 24 months following the listing of the company. \$44,262 was allocated to share capital while \$22,738 was allocated to the warrants in shareholders equity.

(iii) On January 18, 2013, the Company converted \$75,000 of debt into 468,750 shares at a conversion price of \$0.16 per common share. The estimated fair value of the share capital component is \$0.1304 which represent the fair value used for the share capital of the private placement issued on December 28, 2012.

(iii) On February 28, 2013, the Company converted \$4,000 of trade payable into 25,000 shares at a conversion price of \$0.16 per common share.

(iv) On January 18, 2013, the Company issued 700,000 seed shares for investor relations fee in relation to introductions to Canadian mining sector institutional funds for the purpose of current and future private placements.

(v) On January 18, 2013, the Company bought-back 6,700,000 seed shares as part of a corporate reorganization.

(vi) On April 1, 2013, the Company converted a \$50,000 debenture into 390,625 units at a conversion price of \$0.128. Each unit consist of one common share and one warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of \$0.35 for a period of 24 months following the listing of the company. A sum of \$28,789 was allocated to share capital while \$21,211 was allocated to the warrants.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

10.2 Warrants

The following tables summarize the warrants outstanding and exercisable as at May 31, 2013 :

	Number of warrants	Amount	Weighted average exercised price
		\$	\$
Balance as at December 31, 2011	-	-	-
Issued	1,956,250	56,915	0.35
Balance as at February 28, 2013	1,956,250	56,915	0.35
Issued	809,375	43,949	0.35
Balance as at May 31, 2013	2,765,625	100,864	0.35

Expiration date	Number of warrants	Weight average exercised price
		\$
December 2014	1,956,250	0.35
April 2015	809,375	0.35

The fair value of warrants issued was estimated at the grant date based on the Black-Scholes options pricing model using the following weighted average assumptions :

	Warrants expiring in December 2014	Warrants expiring in April 2014
Average share price at date of grant	\$0.16	\$0.16
Expected dividend yield	-	-
Expected weighted volatility	80%	100%
Risk-free interest average rate	1.13%	1.16%
Expected average life	2 years	2 years
Average exercise price at date of grant	\$0.35	\$0.35

10.3 Share options

The following tables summarize the share options outstanding and exercisable as at May 31, 2013 :

	Number of options	Amount	Weighted average exercise price
		\$	\$
Balance as at December 31, 2011	666,668	14,347	0.08
Granted (1)	10,366,670	330,464	0.04
Exercise of stock options	(175,824)	(5,512)	0.02
Balance as at February 28, 2013	10,857,514	339,299	0.04
Granted	-	-	-
Balance as at May 31, 2013	10,857,514	339,299	0.04

(i) The Company has made a share split on July 1, 2012 of all of the issued and outstanding common shares on a basis of two (2) common shares for every one (1) existing common share held. The number of share options outstanding has been adjusted retrospectively to reflect the effect of the share split.

(1) On January 1, 2012, the Group issued 3,350,000 share options at a price of \$0.04 per options which expiry date is March 1, 2013.

(1) On January 1, 2012, the Group issued 1,000,000 share options at a price of 0.15\$ per options which expiry date is January 1, 2016.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

10.3 Share options (continued)

(1) On January 19, 2012, the Group issued 333 334 share options at a price of \$0.15 per options which expiry date is January 19, 2017. Those share options were issued in addition to the convertible debenture issued on the same date.

(1) On March 14, 2012, the Group issued 333 334 share options at a price of \$0.15 per options which expiry date is March 14, 2017. Those share options were issued in addition to the convertible debenture issued on the same date.

(1) On May 17, 2012, the Group issued 166 667 share options at a price of \$0.15 per options which expiry date is May 17, 2017. Those share options were issued in addition to the convertible debenture issued on the same date.

The following table summarizes information about the common share options outstanding as at May 31, 2013, reflecting the share split made on July 1, 2012:

Expiry Date	Weighted average exercise price (\$)	Number of options outstanding	Weighted average remaining contractual life (years)
March 1, 2013 (i)	0.02	6,524,176	-
December 21, 2016	0.08	2,000,000	3.6
December 22, 2016	0.08	666,668	3.6
January 19, 2017	0.08	666,668	3.6
March 14, 2017	0.08	666,668	3.8
May 17, 2017	0.08	333,334	4.0

(i) The share options expiring on March 1, 2013 has been exercised on January 18, 2013. Although, the exercise of those options were conditional to the completion of the contemplated Amalgamation which occurred on October 21, 2013. See note 14.

The amount recorded for share based compensation was as follows:

	Three months period ended May 31, 2013 \$	Three months period ended May 31, 2012 \$
Share based compensation recorded in the consolidated statement of comprehensive loss.	-	28,397

The fair value of share options issued was estimated at the grant date based on the Black-Scholes options pricing model using the following weighted average assumptions:

	Options expiring in March 2013	Options expiring in December 2016	Options expiring in January 2017	Options expiring in March 2017
Average share price at date of grant	\$0.10	\$0.10	\$0.10	\$0.10
Expected dividend yield	-	-	-	-
Expected weighted volatility	80%	90%	90%	90%
Risk-free interest average rate	0.93%	1.27%	1.35%	1.63%
Expected average life	1.16 years	5 years	5 years	5 years
Average exercise price at date of grant	\$0.04	\$0.15	\$0.15	\$0.15
Weighted fair value	\$0.06	\$0.06	\$0.06	\$0.06
				Options expiring in May 2017
Average share price at date of grant				\$0.10
Expected dividend yield				-
Expected weighted volatility				90%
Risk-free interest average rate				1.39%
Expected average life				5 years
Average exercise price at date of grant				\$0.15
				\$0.06

The underlying expected volatility was determined by reference to historical volatility of comparable companies as an expectation of the Company's future volatility on the expected average life.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

11 LOSS PER SHARE

	Three months period ended May 31, 2013	Three months period ended May 31, 2012
Numerator		
Net loss for the period	\$240,300	\$382,003
Denominator		
Weighted average number of share	17,435,199	20,000,000
Basic and diluted loss per share	\$0.01	\$0.02

When determining the weighted average number of shares outstanding, the Group takes into consideration the effect from the share splits occurred during the reporting period. Prior compared period net loss per share was also adjusted to give effect to the share split.

12. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Compensation allocated to Key management personnel of the Company which are the Chief executive officer, Chief Financial Officer, Director of Congo's operation and members of Board of Directors is set out in the following table :

	Three months period ended May 31, 2013	Three months period ended May 31, 2012
	\$	\$
Management fees	96,000	90,000
Professionnals fees	-	14,347
Share-based payments	-	22,531
Total	96,000	126,878

13. CONTINGENCIES AND COMMITMENTS

As part of the acquisition of Sadem Congo, the Group committed to pay a royalty of 10% of the gross income on the sales of minerals. The royalty should be paid until a total of 2 000 000 USD as been paid to the sellers of Sadem Congo. In addition to the initial royalty commitments, the Group shall pay the sellers 15 % of gross income on the sales of minerals coming from a stock pile of minerals gattered by " La compagnie Avoine" estimated at approximatively 20 metric tons.

On May 15, 2012, the Company signed a supply agreement with Kemet Corporation (the Buyer) for the supply of Tantalite ore concentrate. The initial terms included the delivery of a minimum of 5,000lbs of 25% contained Ta₂O₅ up to a maximum of 20,000 lbs per month at a minimum price of USD80.00/lbs depending on the quantity shipped per month, for the duration of the 5 year agreement. The Company could be exposed to penalties in the event where a specific monthly purchase order issued by the Buyer is accepted by the Company but not fulfill according to the terms of this purchase order. Such penalties, if any, would be limited to the difference between the agreed upon price for the purchase order and the actual price paid by the Buyer for the order when filled by a third party. An addendum to the supply agreement was signed on August 2, 2013 to amend the initial term of the contract that is now from May 15, 2013 to May 14, 2018.

TANTALEX CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months period ended May 31, 2013 and 2012

(in canadian dollars)

14. POST-REPORTING DATE EVENTS

July 16, 2013 private placement and contemplated amalgamation

Tantalex completed an unbrokered private placement of 2,375,000 units at a price of \$0.20 per unit for total gross proceeds of \$475,000. Each unit consists of one common share and one warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of \$0.35 for a period of 24 months following the listing of the company. A sum of \$289,037 will be allocated to share capital while \$185,963 will be allocated to the warrants. Issuance costs totalling \$43,949 (including an amount of \$15,149 representing the value of the agent's warrants) will be recorded as a reduction of share capital (\$26,743) and warrants (\$17,206). Issuance costs will be recorded as a reduction of share capital. The fair value of warrants issued was estimated at the grant date based on the Black-Scholes options pricing model using the following weighted average assumptions: Average share price at the date of the grant of \$0.20, expected dividends yield of 0%, expected weighted volatility of 100%, risk-free interest average rate of 1.16%, expected average life of 2 years and an average exercise price at date of grant of \$0.35. The company will pay to agents a remuneration of \$28,800 and will issue 144,000 broker warrants allowing them to acquire one common share of the Company at a price of \$0.20 for a period of 24 months following the listing of the company. The fair value of share options issued was estimated at the grant date based on the Black-Scholes options pricing model using the following weighted average assumptions: average share price at the date of the grant of \$0.20, expected dividends yield of 0%, expected weighted volatility of 100%, risk-free interest average rate of 1.16%, expected average life of 2 years and an average exercise price at date of grant of \$0.20.

Further to the news release of March 18, 2013, Tantalex Corporation ("Tantalex") and Lynnwood Capital Inc. ("Lynnwood ") completed the contemplated amalgamation on October 21, 2013. Under the terms of the agreement, the publicly listed shares of Lynnwood have been consolidated on a 1.8324:1 basis and the shares of Tantalex have been exchanged for 1 post-consolidation Lynnwood share for every 1 Tantalex common shares.

Concurrent with the Amalgamation, 6,524,176 shares options have been exercised for a total consideration \$130,484 in consideration for trade payables (\$24,646) , due to directors (\$81,494) and accrued interests related to the debentures (\$24,344) following an agreement signed on January 18, 2013 that was conditionnal to the completion of the contemplated Amalgamation.

Concurrent with the Amalgamation, the Company converted a total of \$264,165 of trade payables (\$79,191), due to director (\$141,212) and due to consultants (\$43,762) into 1,651,034 shares at a conversion price of \$0.16 per common share following an agreement signed on January 18, 2013 that was conditionnal to the completion of the contemplated Amalgamation.

Concurrent with the Amalgamation, the Company converted a total of \$355,662 of trade payables (\$69,369), due to directors (\$161,159), due to consultants (\$104,613) and debentures (\$20,521) into 1,778,309 shares at a conversion price of \$0.20 per common share following an agreement signed on July 16, 2013 that was conditionnal to the completion of the contemplated private placement.

Concurrent with the Amalgamation, the Company converted a total of \$8,623 of trade payables into 43,115 shares at a conversion price of \$0.20 per common share following an agreement signed on September 9, 2013 that was conditionnal to the completion of the contemplated private placement.

Effective on October 21, 2013, the Company signed a consulting agreement with Yewbrook in which the Company has to pay \$15,000 of engagement fees by the issuance of 75,000 common shares at a price of \$0.20.

Effective on October 21, 2013, a debenture holder as agreed to sell part of its convertible debentures to third parties at principal value for an amount totalling \$125,000. Pursuant to acquiring the debentures, the new holders have agreed to convert the acquired debentures at the price set forth in the debenture of \$0.05 par share representing 2,500,000 shares of the Company.