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Tantalex Resources Corporation

CONSOLIDATED FINANCIAL STATEMENTS

Years ended February 29, 2016 and February 28, 2015
(Expressed in Canadian dollars)

Independent Auditors' Report

To the Shareholders of Tantalex Resources Corporation:

We have audited the accompanying consolidated financial statements of Tantalex Resources Corporation and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as at February 29, 2016 and February 28, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended February 29, 2016 and February 28, 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes assessing the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2016 and February 28, 2015 and its financial performance and its cash flows for the years ended February 29, 2016 and February 28, 2015, in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 28, 2016

Tantalex Resources Corporation

CONSOLIDATED BALANCE SHEETS

(expressed in Canadian dollars)

	As at February 29, 2016	As at February 28, 2015
ASSETS		
CURRENT ASSETS		
Cash	$ 26,059	$ 4,309
Deposit	12,171	-
Sales tax receivable	6,008	14,680
Prepaid expenses	-	1,306
	44,238	20,295
EQUIPMENT	1,168	2,299
EXPLORATION AND EVALUATION ASSETS (Note 6)	-	620,124
TOTAL ASSETS	$ 45,406	$ 642,718
LIABILITIES		
CURRENT LIABILITIES		
Trade payable and accrued liabilities	$ 1,400,778	$ 836,330
Loan (Note 9)	131,949	127,424
Note payable (Note 10)	166,066	-
Promissory notes (Note 11)	65,000	65,000
Due to related companies (Note 12)	242,467	254,256
Due to directors (Note 13)	171,327	137,926
Due to consultants	-	187,783
Convertible debentures (Note 14)	272,728	-
Balance of sale (Note 7)	200,000	200,000
	2,650,315	1,808,719
BALANCE OF SALE (Note 7)	-	148,419
CONVERTIBLE DEBENTURES (Note 14)	-	222,891
	$ 2,650,315	$ 2,180,029
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 15)	2,532,203	2,429,244
Contributed surplus	528,119	354,037
Warrants (Note 15)	240,805	342,846
Equity component of convertible debentures (Note 14)	31,183	31,183
Shares to be issued (Note 8)	129,000	129,000
Deficit	(6,064,401)	(4,824,804)
Accumulated other comprehensive income	1,282	1,183
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	$ (2,601,809)	$ (1,537,311)
Non-controlling interests	(3,100)	-
TOTAL EQUITY	$ (2,604,909)	$ (1,537,311)
TOTAL LIABILITIES AND EQUITY	$ 45,406	$ 642,718

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 24)

The accompanying notes form an integral part of these consolidated financial statements

ON BEHALF OF THE BOARD OF DIRECTORS

(s) "Dave Gagnon" , Director

Tantalex Resources Corporation

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended February 29, 2016 and February 28, 2015

(expressed in Canadian dollars)

	2016	2015
EXPENSES		
Impairment of exploration and evaluation assets	$ 620,124	$ -
General and administrative (Note 22)	816,718	1,480,209
LOSS BEFORE OTHER ITEMS	(1,436,842)	(1,480,209)
Fair value adjustment for balance of sale (Note 7)	148,419	-
Gain on fair value adjustment of shares owing to Reydev (Note 6)	45,726	-
NET LOSS FOR THE YEAR	$ (1,242,697)	$ (1,480,209)
NET LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$ (1,239,597)	$ (1,480,209)
Non-controlling interests	(3,100)	-
	$ (1,242,697)	$ (1,480,209)
BASIC AND DILUTED LOSS PER SHARE (Note 16)	$ (0.03)	$ (0.04)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the years ended February 29, 2016 and February 28, 2015

(expressed in Canadian dollars)

	2016	2015
NET LOSS FOR THE YEAR	$ (1,242,697)	$ (1,480,209)
Item of other comprehensive income to be subsequently reclassified to net loss		
Foreign currency translation	99	(5,489)
COMPREHENSIVE LOSS	$ (1,242,598)	$ (1,485,698)
NET COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$ (1,239,498)	$ (1,485,698)
Non-controlling interests	(3,100)	-
	$ (1,242,598)	$ (1,485,698)

The accompanying notes form an integral part of these consolidated financial statements

Tantalex Resources Corporation

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended February 29, 2016 and February 28, 2015

(expressed in Canadian dollars)

	Number of issued and outstanding common shares	Share Capital	Shares to be issued	Equity component of convertible debenture	Warrants	Contributed Surplus	Accumulated other comprehensive income	Deficit	Non-controlling interest	Total Equity
Balance as at February 28, 2014	$ 34,900,564	$ 2,046,817	$ -	$ 31,183	$ 243,473	$ 354,037	$ 6,672	$ (3,344,595)	$ -	$ (662,413)
Shares issued by private placement	3,700,000	269,137	-	-	100,863	-	-	-	-	370,000
Share issue costs on financings	-	(25,710)	-	-	(1,490)	-	-	-	-	(27,200)
Shares to be issued	-	-	129,000	-	-	-	-	-	-	129,000
Shares issued on settlement of debt	840,000	84,000	-	-	-	-	-	-	-	84,000
Shares issued in accordance with consulting services	100,000	10,000	-	-	-	-	-	-	-	10,000
Shares issued in accordance with consulting services	-	-	-	-	-	-	-	-	-	-
Shares issued in accordance with consulting agreement (Note 3)	287,879	45,000	-	-	-	-	-	-	-	45,000
	39,828,443	2,429,244	129,000	31,183	342,846	354,037	6,672	(3,344,595)	-	(51,613)
Net loss for the year	-	-	-	-	-	-	-	(1,480,209)	-	(1,480,209)
Other Comprehensive loss										
Exchange differences on translating foreign operations	-	-	-	-	-	-	(5,489)	-	-	(5,489)
Balance as at February 28, 2015	$ 39,828,443	$ 2,429,244	$ 129,000	$ 31,183	$ 342,846	$ 354,037	$ 1,183	$ (4,824,804)	$ -	$ (1,537,311)
Balance as at February 28, 2015	$ 39,828,443	$ 2,429,244	$ 129,000	$ 31,183	$ 342,846	$ 354,037	$ 1,183	$ (4,824,804)	$ -	$ (1,537,311)
Shares issued by private placement	3,500,000	175,000	-	-	-	-	-	-	-	175,000
Expiry of warrants	-	-	-	-	(174,082)	174,082	-	-	-	-
Valuation of warrants on private placement	-	(72,041)	-	-	72,041	-	-	-	-	-
	43,328,443	2,532,203	129,000	31,183	240,805	528,119	1,183	(4,824,804)	-	(1,362,311)
Net loss for the year	-	-	-	-	-	-	-	(1,239,597)	(3,100)	(1,242,697)
Other Comprehensive loss										
Exchange differences on translating foreign operations	-	-	-	-	-	-	99	-	-	99
Balance as at February 29, 2016	$ 43,328,443	$ 2,532,203	$ 129,000	$ 31,183	$ 240,805	$ 528,119	$ 1,282	$ (6,064,401)	$ (3,100)	$ (2,604,909)

The accompanying notes form an integral part of these consolidated financial statements

Tantalex Resources Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended February 29, 2016 and February 28, 2015

(expressed in Canadian dollars)

	2016	2015
OPERATING ACTIVITIES		
Net loss before income taxes	$ (1,242,697)	$ (1,480,209)
Operating items not involving cash		
Accretion expense (Note 14)	20,080	16,393
Interest on convertible debentures (Note 14)	29,758	28,468
Amortization of equipment	1,130	1,173
Gain on fair value adjustment of shares owing to Reydev	(45,726)	-
Shares issued in accordance with consulting agreements	-	55,000
Share issued on settlement of debt	-	84,000
Impairment of exploration and evaluation assets	620,124	-
Balance of sale	(148,419)	-
Changes in working capital items		
Deposit	(12,171)	-
Trade receivable and other receivable	-	1,725
Sales tax receivable	8,672	32,420
Prepaid expenses	1,306	11,322
Trade payables and accrued liabilities	610,174	432,433
Due to directors	33,401	21,802
Due to consultants	(187,783)	44,845
Cash flows used in operating activities	(312,151)	(750,628)
INVESTING ACTIVITIES		
Advances receivable	-	7,095
Exploration and evaluation assets	-	(86,653)
Cash flows used in investing activities	-	(79,558)
FINANCING ACTIVITIES		
Due to related companies	(11,789)	232,435
Promissory notes	166,066	65,000
Issuance of common shares and warrants	175,000	370,000
Issue of warrants	-	(27,200)
Subscriptions received in advance	-	129,000
Loan	4,525	55,649
Cash flows from financing activities	333,802	824,884
NET INCREASE/(DECREASE) IN CASH	21,651	(5,302)
Effect of exchange rate fluctuations	99	(5,216)
CASH, BEGINNING OF YEAR	4,309	14,827
CASH, END OF YEAR	$ 26,059	$ 4,309

Note 16 provides additional information on the consolidated statements of cash flows.

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

1. NATURE OF OPERATIONS

Tantalex Resources Corporation ("Tantalex" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on September 28, 2009. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol TTX, as well as on the Frankfurt Stock exchange under the symbol 1TO, and is primarily engaged in exploration and acquisition of Tantalum ore and other strategic metals in Central Africa.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

The head office of the Company is located 1055 West Georgia Street, Suite 1500, P.O Box 11117, Vancouver, British Columbia V6E 4N7.

The Board of Directors approved and authorized for issue these consolidated financial statements on June 28, 2016.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classification that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended February 29, 2016 the Company reported a net loss of $1,245,797 (February 28, 2015 - $1,480,209) and has an accumulated deficit of $6,070,601 at February 29, 2016 ($4,824,804 at February 28, 2015). In addition to ongoing working capital requirements, the Company must secure sufficient funding to further develop the Company's properties and pay for general and administration expenses. At February 29, 2016, the Company had a working capital deficiency of $2,606,078 ($1,788,424 at February 28, 2015). These conditions indicate the existence of a material uncertainty that cast significant doubt regarding the Company's ability to continue as a going concern. Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity, debt financing or a corporate transaction. To this effect, the Company is currently evaluating different financing options. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these consolidated financial statements.

3. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of compliance
The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (”IFRS”), as issued by the International Accounting Standards Board (“IASB”).

Basis of presentation
These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation
These consolidated financial statements include the accounts of the Company and those of its subsidiaries Tantalex Resources Inc., Sandstone Worldwide Ltd., United Materials Congo/UMC, Tantalex Namibia (PTY) Ltd., Kum Kum Mining and Exploration (PTY) Ltd., Kohero Mining and Exploration (PTY) Ltd. and Sadem Congo S.A.R.L. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company's subsidiaries are all 100% owned by the parent company (with the exception of United Materials Congo/UMC which is 80% owned). All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between the companies. All subsidiaries have a reporting date of February 29.

4. SUMMARY OF ACCOUNTING POLICIES

Foreign currency translation
Within each entity, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange differences arising on translation are recognized in consolidated statements of operations. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction.

The accounts of the Company are presented in Canadian dollars which is also the functional currency of the Company. The financial statements of foreign subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for revenue, expenses and cash flows. Functional currencies of the subsidiaries are the U.S Dollar and Central African Franc. Foreign exchange differences arising on translation are recognized in other comprehensive income and in accumulated other comprehensive income in shareholders’ equity.

Financial instruments
Financial assets
The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss.

Other financial liabilities: This category includes loan, note payable, promissory notes, due to related companies, due to directors, due to consultants, and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

Compound financial instruments
The component parts of compound financial instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The conversion option that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments is classified as an equity instrument.

At the date of issue, the liability component is recognized at fair value, which is estimated using the prevailing market interest rate for similar non-convertible instruments. Subsequently, the liability component is measured at amortized cost using the effective interest method until extinguished upon conversion or at maturity.

The value of the conversion option classified as equity is determined at the date of issue by deducting the amount of the liability component from the fair value of the compounded instrument as a whole. This amount is recognized in equity, net of income tax effects, and is not subsequently re-measured. When and if the conversion option is exercised, the equity component of convertible debenture is transferred to the contributed surplus. No gain or loss is recognized upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible debentures are allocated to the liability and equity components in proportion to the initial carrying amounts. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the maturity of the convertible debentures using the effective interest method.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

Fair value hierarchy
The fair value hierarchy that applies in determining fair value requires that observable market data be used if such data exist. An asset or liability is classified at the lowest hierarchical level when significant unobservable market data has been used in the fair value measurement.

The Company uses the following hierarchy for the fair value determination of financial and non-financial items:

Level 1: the fair value is determined directly by reference to unadjusted quoted prices in an active market for identical assets or liabilities.

Level 2: the fair value is estimated using a valuation technique based on observable market data, either directly or indirectly.

Level 3: the fair value is estimated using a valuation technique based on unobservable data.

Basic and diluted loss per share
Basic loss per share is calculated by dividing the loss attributable to common equity holders of the parent company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting loss attributable to common equity holders of the parent company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options, warrants and convertible debentures. Dilutive potential common shares shall be deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares.

For the purpose of calculating diluted loss per share, the Company shall assume the exercise of dilutive options and warrants of the Company. The assumed proceeds from these instruments shall be regarded as having been received from the issue of common shares at the average market price of common shares during the period. The convertible debenture is anti-dilutive whenever its interest (net of tax and other change in income or expense) per common share obtainable on conversion, exceeds basic earnings per share at the end of the reporting period. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding options and the convertible debenture.

Exploration and evaluation expenditures and assets
Exploration and evaluation expenditures are costs incurred in the course of the initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, if applicable, are recognized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase. Any pre-production revenue is netted against the cost of exploration and evaluation assets until the property is in commercial production.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

The Company assesses whether there is any indication of impairment. Indicators of impairment include, but are not limited to:

- the right to explore in the specific area has expired during the period or will expire in the near future
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount. The estimated recoverable amount is the greater of fair value less costs of disposal, and value in use (which is discounted expected future cash flows). If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount, with the difference recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

To date neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company’s titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Equipment
Equipment is held at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all costs incurred initially to acquire or construct an item of equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof. Recognition of costs in the carrying amount of an item of equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Upon the transfer of exploration and evaluation assets to equipment under mining assets under construction, all subsequent expenditures on the construction, installation or completion of equipment and infrastructure facilities are capitalized within mining assets under construction. When development stage is completed, all assets included in the mining assets under construction category are then transferred to mining assets.

Each part of an item of equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use,

4. SUMMARY OF ACCOUNTING POLICIES (continued)

i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The periods generally applicable are as follows:

Office furniture	5 years

The depreciation expense for each period is recognized in profit or loss except for certain items of equipment related to exploration and evaluation activities where the depreciation expense is included in the carrying amount of an exploration and evaluation asset when it relates to a specific exploration and evaluation project, if applicable. Depreciation of an asset ceases when it is classified as held for sale (or included in a disposal group that is classified as held for sale) or when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end. The carrying amount of an item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of equipment is included in profit or loss when the item is derecognized.

Impairment of exploration and evaluation assets, and equipment
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment. Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use. To determine the value in use, management estimates expected future cash flows from each asset or cash-generating unit, and then determines an appropriate interest rate for the calculation of the expected present value of the cash flows.

The impairment loss reduces the asset or is charged pro rata on the basis of the carrying amount of each asset in the cash-generating unit. All the assets are assessed whether there is any indication that an impairment loss recognized in prior periods may no longer exist. An impairment charge is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company’s operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company’s operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

As at February 29, 2016 and February 28, 2015, there are no provision in the consolidated statements of financial position relates to claims.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate, if applicable.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not-deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the tax asset is not recognized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Equity
Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. If shares are issued when options are exercised, the share capital account also comprises the compensation costs previously recorded in equity under contributed surplus. If shares are issued on conversion of the convertible debentures, the share capital account also comprises the equity component of convertible debentures.

Proceeds from unit placements are allocated between shares and warrants issued based on the relative fair values of each instrument. The fair value of the common shares is calculated by using the CSE share price on the date of the issuance and is accounted for in share capital and the fair value of the share purchase warrants is determined using the Black-Scholes valuation model and is accounted for in warrants.

Other elements of equity
Contributed surplus includes charges related to share options. When share options are exercised, the related compensation cost is transferred to share capital.

Warrants include amounts allocated to warrants issued as part of unit placements. When warrants are exercised, the related amount is transferred to share capital.

Deficit includes all current and prior period accumulated profits or losses.

Accumulated other comprehensive income includes the cumulative currency translation adjustment which includes all foreign currency differences obtained from the translation of the financial statement of subsidiaries.

Equity-settled share-based payments
The Company uses equity-settled share-based compensation for its eligible directors, officers, employees and consultants.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to warrants in equity, if applicable.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if the number of share options ultimately exercised are different to that estimated on vesting.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs, as well as the related compensation cost previously recorded as contributed surplus, are credited to share capital.

Segment reporting
The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

The Company presents and discloses segment information based on information that is regularly reviewed by the Officers and the Board of Directors.

Recent accounting pronouncements
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

The adoption of these amendments is not expected to have an impact on the Company’s consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the 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.

Estimation of uncertainty
Information about the significant estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment of equipment and exploration and evaluation assets
Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit.

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (continued)

This requires management to make several assumptions as to future events or circumstances. In assessing impairment of exploration and evaluation assets, the Company must make some estimates and assumptions regarding future circumstance, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recover from either future exploitation or sale when the activities have not reached a stage that permits reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

A full impairment loss of the exploration and evaluation assets and equipment has been recognized for the reporting period ended February 29, 2016.

Share-based payments
The fair value of share-based payment costs is determined using the Black-Scholes valuation model taking into account the features of the plan and market data as at the grant date and on the basis of the Company management assumptions. They made estimates as to the volatility of its own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants.

Fair value of the balance of sale
On initial recognition, management estimated the fair value of the balance of sale. Estimation uncertainty relates to assumptions about the timing of the expected outflows of this liability and the discounting rate used.

Significant management judgment
The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

Recognition of deferred income tax assets and measurement of income tax expense
Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances (Note 2).

(expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	February 28, 2015	Additions	Write downs	February 29, 2016
	$	$	$	$
Republic of Congo				
Mining rights (1)	348,669	-	(348,669)	-
Exploration and evaluation expenses (2)	185,328	-	(185,328)	-
	533,997	-	(533,997)	-
Namibia				
Joint venture payment	65,322	-	(65,322)	-
Exploration and evaluation expenses (3)	20,805	-	(20,805)	-
	86,127	-	(86,127)	-
Total	620,124	-	(620,124)	-

	February 28, 2014	Additions	Write downs	February 28, 2015
	$	$	$	$
Republic of Congo				
Mining rights (1)	348,669	-	-	348,669
Exploration and evaluation expenses (2)	119,480	65,848	-	185,328
	468,149	65,848	-	533,997
Namibia				
Joint venture payment	-	65,322	-	65,322
Exploration and evaluation expenses (3)	-	20,805	-	20,805
	-	86,127	-	86,127
Total	468,149	151,975	-	620,124

(1) The mining rights were related to the acquisition of Sadem Congo S.A.R.L. (see Note 7)

(2) The exploration and evaluation expenses for 2015 include payment to the Better Sourcing Program to assist the Company with conflict free compliance with its operations in the Republic of Congo, as well as tents for the camp and other camp related costs. In 2014 expenses consisted of geologist fees that were assumed by the Company to explore the awarded concession area in the Republic of Congo.

(3) Exploration costs for 2015 consist of geological work.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Republic of Congo
The Company had four Tantalum/Niobium prospecting mining concessions in the Republic of Congo, located in the Matsanga Marala zone, in the Niari department. The four exclusive concessions were awarded in June 2012 and expired on July 15, 2015. As at February 29, 2016, the licenses have not been renewed and as such the Company wrote down the asset.

Namibia
On May 27, 2014 the Company entered in to an agreement with Reydev Mining (Proprietary) Limited, for the development of the exclusive prospecting licenses held by Reydev in Namibia. In accordance with the agreement, the Company will issue Reydev 653,220 common shares of the Company. As at February 29, 2016 the market value of these shares was $19,596 ($0.03 per share). The Agreement will be implemented in three phases, as follows:

Phase 1: The Approval Phase
Reydev will establish three (3) Namibian companies incorporated under the Namibia Companies Act, 2004 (the "Newcos"). The first of the Newcos ("Tantalex Namibia") will entirely hold the issued share capital of the other two Newcos (the "Newcos Subs") who will hold the two (2) prospecting Licenses acquired under the Agreement. Tantalex Namibia will issue twenty percent (20%) of its issued share capital to Reydev and eighty percent (80%) of its issued share capital to Tantalex. In the event that the parties are unable to secure the transfer of the Licenses to the Newco Subs within a period of three (3) months following the submission of the application, either party will be entitled to terminate the Agreement, in which case the common shares of Tantalex issued to Reydev will be cancelled.

Phase 2: The Exploration Phase
The conduct of prospecting on one or more of the Licenses will commence following the establishment or acquisition of the Newcos and the completion of the transfer of the Licenses from Reydev to the Newco Subs. During the exploration phase, and in respect of each Newco Sub, prospecting operations will be funded fully by Tantalex.

Phase 3: The Mining Phase
Following the successful grant of a mining license, the Newcos' administrative expenditures and all mine establishment, development and operational expenditures will be funded by Tantalex and Reydev in proportion to their shareholdings in Tantalex Namibia.

The Agreement was subject to all necessary regulatory approvals, including the approval of the CSE and approval by the Ministry of Mines and Energy of Namibia.

As at February 29, 2016, the Company is in Phase 1, and the 653,220 shares have not been issued, and therefore $19,596 is included in accounts payable and accrued liabilities and $45,726 recorded as a gain on fair value adjustment in the statement of comprehensive loss.

Due to the lack of cash resources, and uncertainty regarding the future work and uncertainty on recoverability of costs, the Company wrote down the asset to nil as at February 29, 2016.

7. 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 comprised of 25% of the outstanding common shares of the Company and a deferred balance of sale of $400,000. The terms of payments of the balance of sale are as follows:

(i) A payment of $200,000 was due when SADEM converted its current prospecting permit into four explorations mining permits.

(ii) A payment of $200,000 is due when the Company will successfully file a National Instrument 43-101 technical report stating inferred resources with the Canadian securities authorities.

As at February 29, 2016 only the first condition was met.

The acquisition was classified 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 was 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 would 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. Since then, new information was made available which changed the past estimates and the Company revalued the fair value of total consideration as at year end.

8. SHARES TO BE ISSUED

The Company received $129,000 in advance of closing a private placement. On closing the Company will issue 1,290,000 units at a price of $0.10 per unit. Each unit consists of one common share and one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.18 per common share for a period of 24 months from the date the private placement closes. The shares were not issued during the year due to a cease trade order. The shares have been issued subsequent to year end.

9. LOAN

The Company entered in a factoring contract with FinexCorp Inc. (“Finex”) under which the Company has the possibility to effect the factoring of its accounts receivable against a fee as a percentage of the receivables transferred. The maximal amount of receivables that could be transferred to FinexCorp Inc. amounts to $500,000. The transaction has been accounted for under the principles of IAS 39 - Financial instruments: recognition and measurement and does not meet the criteria for de-recognition of the underlying assets. Accordingly, an amount of $131,949 ($127,424 as at February 28, 2015) is recognized as a short-term liability. The loan is secured by a $750,000 mortgage, 25% per annum, on the universality of the Company's moveable tangible and intangible assets.

10. NOTE PAYABLE

During the year, Finex advanced the Company $166,066 (2015 - $nil). These advances are non-interest bearing with no specific terms of repayment.

(expressed in Canadian dollars)

11. PROMISSORY NOTES

On September 25, 2014, the Company closed a $65,000 debt financing in the form of three promissory notes. The promissory notes are unsecured, accrue interest at a rate of 20% per annum (calculated on the basis of the 360 day per year method). The promissory notes and accrued interest and became due December 20th, 2014. As at February 29, 2016 the loans remain outstanding. Interest will continue to accrue until the debt is repaid. As at February 29, 2016 $18,592 (2015 - $5,556) of interest was accrued and include in accounts payable and accrued liabilities.

12. DUE TO RELATED COMPANIES

As at February 29, 2016, $17,424 (February 28, 2015 - $17,424) was due to Charbone Petroleum (formerly Charbone Potash Mining), a related company by virtue of Dave Gagnon, the CEO and a director of the Company, being a common significant shareholder. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

As at February 29, 2016, $225,043 (February 28, 2015- $236,831) was due to Charbone Buckell, a related company by virtue of Dave Gagnon, the CEO and a director of the Company, being a common director. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

13. DUE TO DIRECTORS

As at February 29, 2016, $74,217 (2015 – $50,946) was payable to Dave Gagnon, the CEO and a director of the Company, for outstanding management fees and expenses paid on behalf of the Company.

As at February 29, 2016, $97,110 was payable to Sylvain Giffard, a director (effective November 15, 2015), for outstanding management fees and advances.

14. CONVERTIBLE DEBENTURES

	February 29, 2016	February 28, 2015
	$	$
Convertible debenture liability component:		
Balance, at beginning of the year	222,891	178,030
Accretion expense	20,080	16,393
Accrued interest	29,758	28,468
Balance, at the end of the year	**272,728**	**222,891**
Balance of the equity component at the end of the year	**31,183**	**31,183**

The $100,000 debenture, issued on December 22, 2011, bears interest at the rate of 10% per annum, discounted at 23% and matures in December 2016. The debenture holder has the option to convert the principal and accrued interests at any time into Common Shares at price of $0.05 ($0.10 prior to share split made on July 1, 2012) per share. As at February 29, 2016, $126,576 of principal and accrued interest is outstanding.

The $100,000 debenture, issued on March 14, 2012, bears interest at a rate of 10% per annum, discounted at 23% and matures in March 2017. The debenture holder has the option to convert the principal and accrued interests at any time into Common Shares at price of $0.05 ($0.10 prior to share split made on July 1, 2012) per share. As at February 29, 2016, $93,290 of principal and accrued interest is outstanding.

The $50,000 debenture, issued on May 17, 2012, bears interest at a rate of 10% per annum, discounted at 23%, and matures in May 2017. The debenture holder has the option to convert the principal and accrued interests at any time into Common Shares at price of $0.05 ($0.10 prior to share split made on July 1, 2012) per share. As at February 29, 2016, $63,356 of principal and accrued interest is outstanding.

(expressed in Canadian dollars)

15. EQUITY

Share capital
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 the Company.

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

Total shares issued and fully paid at February 28, 2014	**34,900,564**	**$**	**2,046,817**
Shares issued by private placement (i) (ii)	3,700,000		370,000
Valuation of warrants issued on private placement (i) (ii)	-		(100,863)
Share issue expenses (i) (ii)	-		(25,710)
Shares issued on settlement of debt (iii)	840,000		84,000
Shares issued in accordance with consulting services (iv)	100,000		10,000
Shares issued in accordance with consulting agreement	287,879		45,000
Total shares issued and fully paid at February 28, 2015	**39,828,443**	**$**	**2,429,244**
Shares issued by private placement (v)	3,500,000		175,000
Valuation of warrants issued on private placement (v)	-		(72,041)
Total shares issued and fully paid at February 29, 2016	**43,328,443**	**$**	**2,532,203**

(i) On March 11, 2014, the Company completed the second closing of a non-brokered private placement financing by issuing 1,500,000 common share units (“Units”) at a price of $0.10 per Unit for gross proceeds of $150,000. Each Unit consisted of one common share (a “Common Share”) and one-half of one common share purchase warrant (a “Warrant”). Each whole Warrant entitles the holder thereof to acquire one Common Share at an exercise price of $0.15 per Common Share for twenty-four months from closing. These warrants were assigned a value of $40,889 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.04%; expected volatility of 178%; expected dividend yield of 0% and an expected life of two years. Expected volatility was based on the historical volatility of other comparable listed companies.

In connection with the financing, the Company paid cash commissions of $17,000, and issued compensation warrants to purchase 120,000 Common Shares at an exercise price of $0.10 per Common Share exercisable for a period of twenty-four months from closing. These warrants were assigned a value of $9,528 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.04%; expected volatility of 178%; expected dividend yield of 0% and an expected life of two years. Expected volatility was based on the historical volatility of other comparable listed companies.

(ii) On May 2, 2014 the Company completed the final closing of its non-brokered private placement financing by issuing 2,200,000 common share units (“Units”) at a price of $0.10 per Unit for gross proceeds of $220,000. Each Unit consisted of one common share in the capital of Tantalex (a “Common Share”) and one-half of one common share purchase warrant (a “Warrant”) of Tantalex. Each whole Warrant entitles the holder thereof to acquire one Common Share at an exercise price of $0.15 per Common Share up to the date that is twenty-four (24) months from closing. All securities issued pursuant to the financing are subject to a four-month hold period. These warrants were assigned a value of $59,974 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.07%; expected volatility of 178%; expected dividend yield of 0% and an expected life of two years. Expected volatility was based on the historical volatility of other comparable listed companies.

In connection with the financing, the Company paid cash commissions of $19,040.

(expressed in Canadian dollars)

15. EQUITY (continued)

(iii) On May 2, 2014 the Company entered into an agreement with an arm's length service provider, pursuant to which the Company settled $84,000 of debt through the issuance of 840,000 Common Shares based on an agreed issue price of $0.10 per share. The Company determined to satisfy the indebtedness with common shares in order to preserve its cash. The Common Shares issued in satisfaction of the indebtedness will be subject to a four month statutory hold period from the date of issuance.

(iv) On May 2, 2014 the Company issued 100,000 Common Shares, at an issue price of $0.10, to an arm's length consultant in consideration for fiscal advisory services provided pursuant to the terms of a consulting agreement. The Common Shares issued to the consultant will be subject to a four month statutory hold period from the date of issuance.

(v) On August 19 and October 13, 2015 the Company completed two private placement financings by issuing a total of 3,500,000 common share units ("Units") at a price of $0.05 per Unit for gross proceeds of $175,000. Each Unit consisted of one common share in the capital of Tantalex (a "Common Share") and one common share purchase warrant (a "Warrant") of Tantalex. Each whole Warrant entitles the holder thereof to acquire one Common Share at an exercise price of $0.055 per Common Share up to the date that is eighteen (18) months from closing. All securities issued pursuant to the financing are subject to a four-month hold period. These warrants were assigned a value of $72,041 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.07%; expected volatility of 180%; expected dividend yield of 0% and an expected life of one and a half years. Expected volatility was based on the historical volatility of other comparable listed companies.

Warrants

The following summarizes the activity during the years ended February 29, 2016 and February 28, 2015:

	Number of warrants	Amount	Weighted average exercise price
Balance at February 28, 2014	5,463,000	243,473	0.32
Reclassed	2,723,963	-	-
Issued March 11, 2014	750,000	35,789	0.15
Issued March 11, 2014	120,000	6,670	0.10
Issued May 2, 2014	1,100,000	56,914	0.15
Balance at February 28, 2015	10,156,963	342,846	0.23
Expired	(5,853,625)	(174,082)	0.32
Issued August 19, 2015	1,000,000	20,000	0.01
Issued October 13, 2015	2,500,000	52,041	0.02
Balance at February 29, 2016	7,803,338	240,805	0.08

(expressed in Canadian dollars)

15. EQUITY (continued)

Summary of warrants outstanding as at February 29, 2016:

Grant Date	Expiry date	# of Warrants	Exercise price	Weighted ave price	Weighted ave expiry
21-Oct-13	19-Jan-17	666,668	0.08	0.01	0.89
21-Oct-13	14-Mar-17	666,668	0.08	0.01	1.04
21-Oct-13	22-Dec-16	666,668	0.08	0.01	0.81
21-Oct-13	17-May-17	333,334	0.08	0.00	1.21
10-Mar-14	10-Mar-16	750,000	0.15	0.01	0.03
10-Mar-14	10-Mar-16	120,000	0.10	0.00	0.03
2-May-14	2-May-16	1,100,000	0.15	0.02	0.17
24-Aug-15	24-Feb-17	1,000,000	0.06	0.01	0.99
13-Oct-15	13-Apr-17	2,500,000	0.06	0.02	1.12
		7,803,338		0.08	0.80

Share options
The Company has established a share option plan whereby the Board of Directors may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board.

No options were granted during the years ended February 29, 2016 and February 28, 2015. No options expired during the year ended February 29, 2016 (85,951 for the year ended February 28, 2015 with an exercise price of $0.18).

The following options are outstanding as at February 29, 2016:

Grant Date	Expiry date	# of Options	Exercise price	Weighted ave price	Weighted ave expiry
30-Jun-13	30-Jun-20	85,951	0.180	0.01	4.34
30-Jun-13	30-Jun-20	85,951	0.180	0.01	4.34
30-Jun-13	30-Jun-20	147,345	0.18	0.01	4.34
21-Oct-13	01-Jan-17	75,000	0.08	0.00	0.84
21-Oct-13	01-Jan-17	150,000	0.08	0.01	0.84
21-Oct-13	01-Jan-17	1,775,000	0.08	0.06	0.84
		2,319,247		0.09	1.33

16. LOSS PER SHARE

The calculation of basic and diluted loss per share for the years ended February 29, 2016 and February 28, 2015 were based on the loss attributable to equity holders of $1,242,697 and $1,480,209, respectively. The weighted average number of common shares outstanding used for the calculation for the years ended February 29, 2016 and February 28, 2015 were 42,592,416 and 39,371,908, respectively.

Excluded from the calculation of the diluted loss per share are warrants, convertible debentures and stock options because to include them would be anti-dilutive as they would have the effect of decreasing the loss per share.

17. ADDITIONAL INFORMATION ON CONSOLIDATED STATEMENT OF CASH FLOWS

Certain investing and financing activities do not require the use of cash and, accordingly, have been excluded from the consolidated statements of cash flows:

For the years ended	February 29, 2016	February 28, 2015
Shares issued for settlement of debt	$ -	$ 84,000
Shares issued for consulting services	-	55,000
Total	$ -	$ 139,000

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

The Company's financial instruments include due to related companies, trade payable and accrued liabilities, promissory notes, loan, note payable, due to directors, due to consultants, balance of sale and the convertible debentures.

The carrying amount and fair value of financial instruments, with the exception of the balance of sale and the convertible debentures, are considered to be a reasonable approximation of fair value because of their short-term maturities. The carrying values of the balance of sale and the liability component of the convertible debentures (level 2 of the fair value hierarchy) are considered to be a reasonable approximation of fair value, since the interest rate used initial approximates the interest rate at year end for similar instruments. The fair value of balance of sale payable and the convertible debentures has been determinate using the present value of cash flows method.

(expressed in Canadian dollars)

19. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel of the Company.

The remuneration awarded to key management personnel, including directors, the Chief Executive Officer, the Chief Financial Officer and the Director of Congo's operations, is as follows:

	February 29, 2016	February 28, 2015
Management and consulting fees	$ 293,000	$ 178,485

As at February 29, 2016, $136,300 of the fees is outstanding are to CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company (February 28, 2015 - $11,300).

Unless otherwise stated, none of the transactions provided for special terms and conditions.

20. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company defines capital as shareholders' equity. The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholder of the Company.

These objectives will be achieved by acquiring the right exploration projects, implementing appropriate work programs to assess resources and by identifying and executing the optimal corporate strategy in terms of cash flow or sale.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financing liabilities. The Company manages the capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. There were no changes in the Company's approach to capital management during the year ended February 29, 2016. The Company is not subject to any externally imposed capital requirements as at February 29, 2016. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration activities or may slow its activities until conditions improve.

21. FINANCIAL INSTRUMENT RISKS

Objectives and policies concerning financial risk management
The Company is exposed to different financial risks resulting from its operations as well as investing and financing activities. The following analysis enables users to evaluate the nature and extent of the risks at the end of the year.

Financial risks
The principal financial risks to which the Company is exposed as well as its policies concerning the management of the financial risks are detailed as follow:

Interest rate risk
The convertible debentures provide for a fixed annual interest rate and therefore expose the Company to the risk of fair value variation due to interest rate variation because this financial asset is recognized at amortized cost. The other financial assets and liabilities of the Company do not represent interest risk because they do not bear interest or are at a fixed interest rate. The Company does not use financial derivatives to decrease its exposure to interest risk.

(expressed in Canadian dollars)

21. FINANCIAL INSTRUMENT RISKS (continued)

Liquidity risk
Management's objective is to maintain sufficient levels of cash and to ensure that the Company has at its disposal sufficient sources of financing, such as private financing and capital markets. Obtaining additional funds make it possible for the Company to continue its operations.

The following table presents contractual maturities (including interest payments where applicable) of the Company financial liabilities:

	February 29, 2016		February 28, 2015	
	Current	Non-current	Current	Non-current
	Within 1 year	1 to 5 years	Within 1 year	1 to 5 years
Trade payables and accrued liabilities	$ 1,400,778	$ -	$ 836,330	$ -
Loan	131,949	-	127,424	-
Note payable	166,066	-	-	-
Promissory notes	65,000	-	65,000	-
Due to a related company	242,467	-	254,256	-
Due to directors	171,327	-	137,926	-
Due to consultants	-	-	187,783	-
Balance of sale	200,000	-	200,000	148,419
Convertible debentures	272,728	-	-	222,891
	$ 2,650,315	$ -	$ 1,808,719	$ 371,310

As at February 29, 2016, management estimates that funds available will not be sufficient to meet the Company's obligations through February 28, 2017. The Company is evaluating different financing options to continue the exploration and development of its projects, which may include the issuance of securities, entering into partnership, joint venture or other arrangements. There can be no assurance that additional funds will be available or available on terms acceptable to the Company. If management is unable to obtain new funding, the Company may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests.

Foreign Currency Risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and Central African Franc will affect the Company's operations and financial results. At February 29, 2016, the Canadian equivalent value of assets and liabilities denominated in a foreign currency consisted of cash of $13,420 (February 28, 2015 - $3,960), deposits of $12,171 (February 28, 2015 - $Nil) and accounts payable and accrued liabilities of $18,463 (February 28, 2015 - $16,463). The impact on operations and comprehensive income and equity of a 10% increase or decrease in foreign currencies to the Canadian dollar exchange rate on the Company's financial instruments based on balances at February 29, 2016 would be insignificant.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date. The Company has no trade accounts. The exposure to credit risk for the Company's receivables is considered immaterial. No impairment loss has been recognized in the periods presented. The Company's management considered that all the above financial assets that are not impaired or past due are of good credit quality. The credit risk for cash is considered negligible since the counter parties are reputable banks with high quality external credit ratings and that cash held in Congo is not subject to any restrictions.

(expressed in Canadian dollars)

22. GENERAL AND ADMINISTRATIVE

A breakdown of the general and administrative expenses for the years ended February 29, 2015 and February 28, 2015 is as follows:

	February 29, 2016	February 28, 2015
Salaries and fringe benefits	$ -	$ 21,549
Insurance	24,099	18,622
Transfer agent and shareholder registration	4,875	37,368
Management and consulting fees	424,425	372,691
Professional fees	183,686	482,105
Financial costs	62,873	65,880
Reporting to shareholders	-	187,000
Rent	-	35,076
Office and general	44,010	39,069
Travel fees	86,722	220,078
Business development	-	581
Amortization of property, plant and equipment	1,130	1,173
Loss (gain) on exchange rate	(15,103)	(983)
	$ 816,718	$ 1,480,209

23. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.9% to the effective tax rates is as follows::

	February 29, 2016	February 28, 2015
Net loss before recovery of income taxes	$ (1,242,697)	$ (1,480,209)
Expected income tax recovery	(334,290)	(398,190)
Difference in foreign tax rates	(810)	(2,260)
Non-deductible expenses	(11,120)	8,530
Tax impact of foreign exchange	166,810	-
Other	(9,000)	(10,050)
Change in tax benefits not recognized	188,410	401,970
	$ -	$ -

The following table summarizes the components of deferred tax:

	February 29, 2016	February 28, 2015
Deferred Tax Assets		
Non-capital losses carried forward	$ 2,890	$ 16,220
Deferred Tax Liabilities		
Convertible debenture	(2,890)	(16,220)
Net deferred income tax assets (liabilities)	-	-

(expressed in Canadian dollars)

23. INCOME TAXES (continued)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	February 29, 2016	February 28, 2015
Share issuance costs	$ 11,420	$ 3,810
Non-capital losses carried forward - Canada	4,942,100	4,309,570
Non-capital losses carried forward - Congo	337,120	311,155
Other temporary differences	127,870	96,660
	$ 5,418,510	$ 4,721,195

Congolese losses may be carried forward for an unlimited period, but may offset a maximum of 70% of the profit before tax in any year. Share issue costs will be fully amortized in 2019. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company’s Canadian non-capital income tax losses expire as follows:

Non-capital losses expiry	**Canada**
2030	16,030
2031	194,720
2032	1,204,140
2033	775,670
2034	786,240
2035	1,351,590
2036	624,510
	4,952,900

24. SUBSEQUENT EVENTS

The Company entered into settlement agreements with various creditors of the Corporation whereby the Company will issue common shares of the Corporation at $0.05 per common share. Pursuant to the Settlement Agreements, a total of 29,676,713 common shares were issued on June 1, 2016 to settle debt of $1,483,835.

Subsequent to year end, the Company entered into subscription agreements to issue a total of 4,200,000 common share units at a price of $0.05 per Unit for gross proceeds of $210,000. Each Unit consists of one common share in the capital of Tantalex and one common share purchase warrant of Tantalex. Each whole Warrant entitles the holder thereof to acquire one common share at an exercise price of $0.055 per common share up to the date that is eighteen (18) months from closing.