Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended May 31, 2016 and May 31, 2015

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company s management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(expressed in Canadian dollars)

	As at May 31, 2016	As at February 29, 2016
ASSETS		
CURRENT ASSETS		
Cash	$ 8,403	$ 26,059
Deposit	29,639	12,171
Sales tax receivable	6,008	6,008
	44,050	44,238
EQUIPMENT	1,169	1,168
EXPLORATION AND EVALUATION ASSETS (Note 6)	-	-
TOTAL ASSETS	$ 45,219	$ 45,406
LIABILITIES		
CURRENT LIABILITIES		
Trade payable and accrued liabilities	$ 1,436,842	$ 1,400,778
Loan (Note 9)	131,949	131,949
Note payable (Note 10)	227,566	166,066
Promissory notes (Note 11)	65,000	65,000
Due to related companies (Note 12)	231,546	242,467
Due to directors (Note 13)	221,469	171,327
Convertible debentures (Note 14)	286,559	272,728
Balance of sale (Note 7)	200,000	200,000
	$ 2,800,932	$ 2,650,315
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 15)	2,532,203	2,532,203
Contributed surplus	627,392	528,119
Warrants (Note 15)	141,532	240,805
Equity component of convertible debentures (Note 14)	31,183	31,183
Shares to be issued (Note 8)	149,000	129,000
Deficit	(6,224,440)	(6,064,401)
Accumulated other comprehensive income	(746)	1,282
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	$ (2,743,876)	$ (2,601,809)
Non-controlling interests	(11,836)	(3,100.00)
TOTAL EQUITY	$ (2,755,713)	$ (2,604,909)
TOTAL LIABILITIES AND EQUITY	$ 45,219	$ 45,406

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 24)

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)

For the three months ended May 31, 2016 and May 31, 2015

(expressed in Canadian dollars)

		2016		2015
EXPENSES				
General and administrative (Note 22)	$	162,244	$	135,778
LOSS BEFORE OTHER ITEMS		(162,244)		(135,778)
Loss on change in fair value adjustment of shares owing to Reydev (Note 6)		(6,532)		-
NET LOSS FOR THE PERIOD	$	(168,776)	$	(135,778)
NET LOSS ATTRIBUTABLE TO:				
Equity holders of the Company	$	(160,039)	$	(135,778)
Non-contolling interests		(8,736)		-
	$	(168,776)	$	(135,778)
BASIC AND DILUTED LOSS PER SHARE (Note 16)	$	(0.00)	$	(0.00)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the three months ended May 31, 2016 and May 31, 2015

(expressed in Canadian dollars)

		2016		2015
NET LOSS FOR THE PERIOD	$	(168,776)	$	(135,778)
Item of other comprehensive income to be subsequently reclassified to net loss				
Foreign currency translation		(2,028)		26,975
COMPREHENSIVE LOSS	$	(170,804)	$	(108,803)
NET COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Equity holders of the Company	$	(179,540)	$	(108,803)
Non-contolling interests		8,736		-
	$	(170,804)	$	(108,803)

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended May 31, 2016 and May 31, 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, 2015	34,900,564	$ 2,429,244	$ 129,000	$ 31,183	$ 342,846	$ 354,037	$ 1,183	$ (4,824,804)	$ -	$ (1,537,311)
Net loss for the period	-	-	-	-	-	-	-	(135,778)	-	(135,778)
Other Comprehensive loss										
Exchange differences on translating foreign operations	-	-	-	-	-	-	22,179	-	-	22,179
Balance as at May 31, 2015	$ 34,900,564	$ 2,429,244	$ 129,000	$ 31,183	$ 342,846	$ 354,037	$ 23,362	$ (4,960,582)	$ -	$ (1,650,910)
Balance as at February 28, 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)
Proceeds from private placement not yet closed	-	-	20,000	-	-	-	-	-	-	20,000
Expiry of warrants	-	-	-	-	(99,373)	99,373	-	-	-	-
	43,328,443	2,532,203	149,000	31,183	141,432	627,492	1,282	(6,064,401)	(3,100)	(2,584,909)
Net loss for the year	-	-	-	-	-	-	-	(160,039)	(8,736)	(168,776)
Other Comprehensive loss										
Exchange differences on translating foreign operations	-	-	-	-	-	-	(2,028)	-	-	(2,028)
Balance as at May 31, 2016	43,328,443	$ 2,532,203	$ 149,000	$ 31,183	$ 141,432	$ 627,492	$ (746)	$ (6,224,440)	$ (11,836)	$ (2,755,713)

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the three months ended May 31, 2016 and May 31, 2015

(expressed in Canadian dollars)

	2016	2015
OPERATING ACTIVITIES		
Net loss before income taxes	$ (168,776)	$ (135,778)
Operating items not involving cash		
Accretion expense (Note 14)	5,848	4,712
Interest on convertible debentures (Note 14)	7,983	7,269
Amortization of equipment	-	294
Gain on fair value adjustment of shares owing to Reydev	6,532	-
Changes in working capital items		
Deposit	(17,468)	-
Trade receivable and other receivable	-	(23,650)
Sales tax receivable	-	9,918
Prepaid expenses	-	1,306
Trade payables and accrued liabilities	29,533	67,317
Due to directors	50,140	-
Cash flows from operating activities	(86,207)	(68,612)
FINANCING ACTIVITIES		
Due to a related party	(10,921)	(126)
Promissory notes receivable	61,500	-
Subscriptions received in advance	20,000	-
Loan	-	43,637
Cash flows from financing activities	70,579	43,511
NET DECREASE IN CASH	(15,628)	(25,101)
Effect of exchange rate fluctuations	(2,028)	22,087
CASH, BEGINNING OF PERIOD	26,059	4,309
CASH, END OF PERIOD	$ 8,403	$ 1,295

Note 17 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 July 29, 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 May 31, 2016 the Company reported a net loss of $160,039 (February 29, 2016 - $1,245,797) and has an accumulated deficit of $6,224,440 at May 31, 2016 ($6,064,401 at February 29, 2016). 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 May 31, 2016, the Company had a working capital deficiency of $2,756,882 ($2,606,078 at February 29, 2016). 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
These condensed interim consolidated financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not included all the information and disclosures required in the Company's annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended February 29, 2016.

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

These unaudited condensed consolidated financial statements reflect the accounting policies described in Note 4 to the Company’s Audited Consolidated Financial Statements for the years ended February 28, 2016 and 2015 (“2016 Audited Consolidated Financial Statements”) (with the exception of any changes set out below) and accordingly, should be read in conjunction with those financial statements and the notes thereto.

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.

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 was 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.

(expressed in Canadian dollars)

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

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).

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)	-

(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 consisted 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 had 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 May 31, 2016 the market value of these shares was $26,128 ($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 May 31, 2016, the Company is in Phase 1, and the 653,220 shares have not been issued, and therefore $26,128 is included in accounts payable (fair market value of the shares at May 31, 2016) and accrued liabilities and $6,532 recorded as a loss on the change in 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 May 31, 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 February 29, 2016.

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 were issued subsequent to year end.

The Company received $20,000 in advance of closing a July 2016 private placement. On closing the Company will issue 400,000 units at a price of $0.05 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 $0.055 per common share for a period of 18 months from the date the private placement closes. The shares were 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.

(expressed in Canadian dollars)

10. NOTE PAYABLE

During the period, Finex advanced the Company $61,500 (February 29, 2016 - $166,066). These advances are non-interest bearing with no specific terms of repayment.

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 May 31, 2016 the loans remain outstanding. Interest will continue to accrue until the debt is repaid. As at May 31, 2016 $21,868 (2015 - $18,592) of interest was accrued and include in accounts payable and accrued liabilities. These notes were settled subsequent to the year end with the issuance of common shares.

12. DUE TO RELATED COMPANIES

As at May 31, 2016, $47,895 (February 29, 2016- $47,895) 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 May 31, 2016, $183,672 (February 29, 2016- $225,043) 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 May 31, 2016, $103,360 (February 29, 2016 – $74,217) 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 May 31, 2016, $118,109 (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

	May 31, 2016	February 28, 2016
	$	$
Convertible debenture liability component:		
Balance, at beginning of the year	272,728	222,891
Accretion expense	5,848	20,080
Accrued interest	7,983	29,758
Balance, at the end of the year	**286,559**	**272,728**
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.

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.

(expressed in Canadian dollars)

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.

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.

	Number of shares		Amount
Total shares issued and fully paid at February 28, 2015	**39,828,443**	**$**	**2,429,244**
Shares issued by private placement (i)	3,500,000		175,000
Valuation of warrants issued on private placement (i)	-		-
Total shares issued and fully paid at February 29, 2016 and May 31, 2016	**43,328,443**	**$**	**2,604,244**

(i) 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 three months ended May 31, 2016 and the year ended February 29, 2016:

	Number of warrants		Amount	Weighted average exercise price
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	0.06
expired	(1,970,000)		(99,373)	0.14
Balance at May 31, 2016	5,833,338	$	141,432	0.06

(expressed in Canadian dollars)

15. EQUITY (continued)

Summary of warrants outstanding as at May 31, 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	0.64
21-Oct-13	14-Mar-17	666,668	0.08	0.01	0.79
21-Oct-13	22-Dec-16	666,668	0.08	0.01	0.56
21-Oct-13	17-May-17	333,334	0.08	0.00	0.96
24-Aug-15	24-Feb-17	1,000,000	0.06	0.01	0.74
13-Oct-15	13-Apr-17	2,500,000	0.06	0.02	0.87
		5,833,338		0.06	0.78

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 three months ended May 31, 2016 and the year ended February 29, 2016.

The following options are outstanding as at May 31, 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	4.08
30-Jun-13	30-Jun-20	85,951	0.180	0.01	4.08
30-Jun-13	30-Jun-20	147,345	0.18	0.01	4.08
21-Oct-13	1-Jan-17	75,000	0.08	0.00	0.59
21-Oct-13	1-Jan-17	150,000	0.08	0.01	0.59
21-Oct-13	1-Jan-17	1,775,000	0.08	0.06	0.59
		2,319,247		0.09	1.07

16. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended May 31, 2016 and May 31, 2015 were based on the loss attributable to equity holders of $160,039 and $135,778, respectively. The weighted average number of common shares outstanding used for the calculation for the three months ended May 31, 2016 and May 31, 2015 were 43,328,443 and 39,828,443, 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 three months ended	May 31, 2016	May 31, 2015
Shares issued for settlement of debt	$ -	$ -
Shares issued for consulting services	-	-
Total	$ -	$ -

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:

	May 31, 2016	May 31, 2015
Management and consulting fees	$ 69,000	$ 49,000

As at May 31, 2016, $154,300 of the fees is outstanding are to CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company (February 29, 2016 - $136,300).

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 three months ended May 31, 2016. The Company is not subject to any externally imposed capital requirements as at May 31, 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:

	31-May-16		28-Feb-16	
	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	$ 1,436,843	$ -	$ 1,400,778	$ -
Loan	131,949	-	131,949	-
Note payable	227,566	-	166,066	-
Promissory notes	65,000	-	65,000	-
Due to a related company	231,546	-	242,467	-
Due to directors	221,469	-	171,327	-
Balance of sale	200,000	-	200,000	-
Convertible debentures	286,559	-	272,728	-
	$ 2,800,933	$ -	$ 2,650,315	$ -

As at May 31, 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 May 31, 2016, the Canadian equivalent value of assets and liabilities denominated in a foreign currency consisted of cash of $7,683 (February 28, 2016 - $13,420), deposits of $29,639 (February 28, 2016 - $12,171l) and accounts payable and accrued liabilities of $7,542 (February 28, 2016 - $18463). 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 May 31, 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:

		2016		2015	% change
Salaries and fringe benefits	$	-	$	252	-100%
Insurance		-		2,292	-100%
Transfer agent and shareholder registration		1,407		1,025	37%
Management and consulting fees		69,000		49,000	41%
Professional fees		18,622		45,464	-59%
Financial costs		17,107		11,982	43%
Office and general		7,464		2,667	180%
Travel fees		48,644		22,802	113%
Amortization of property, plant and equipment		-		294	-100%
	$	162,244	$	135,778	19%

23. 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.

On July 6, 2016 the Company closed a non-brokered private placement financing (the “Offering”) raising gross proceeds of $450,000 through the issuance of 9,000,000 units (“Units”) at $0.05 per Unit. Each Unit consisted of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each whole Warrant entitles the holder thereof to acquire one Common Share at an exercise price of $0.055 per Common Share up to the date that is eighteen (18) months from closing. The gross proceeds from the Offering will be used by the Company for general working capital purposes. A finder’s fee will be paid on the private placement to an Exempt Market Dealer. The finder’s fee will consist of 8% of the gross proceed of the private placement paid in cash and 8% in compensation warrants.