TANTALEX RESOURCES CORPORATION

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three and nine months ended November 30, 2017
(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 STATEMENTS OF FINANCIAL POSITION (unaudited)

(expressed in Canadian dollars)

	As at November 30, 2017	As at February 28, 2017
ASSETS		
CURRENT ASSETS		
Cash	$ 638,224	$ 533,261
Prepaid expenses and deposits	42,704	89,325
Sales tax receivable	155,125	95,301
	836,053	717,887
Equipment (Note 7)	43,194	57,232
Exploration and Evaluation Assets (Note 6)	416,900	44,749
TOTAL ASSETS	$1,296,147	$819,868
LIABILITIES		
CURRENT LIABILITIES		
Trade payable and accrued liabilities	$ 869,438	$742,798
Loan (Note 8)	177,619	170,076
Due to related companies (Note 11)	65,896	69,096
Due to directors (Note 11)	248,868	157,825
Debentures (Note 12)	741,855	325,618
	2,103,673	1,465,413
Debentures (Note 12)	-	97,405
TOTAL LIABILITIES	$2,103,673	$1,562,818
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 13)	6,206,619	5,025,622
Contributed surplus	1,125,886	1,113,396
Warrants (Note 13)	856,779	1,154,572
Equity component of convertible debentures (Note 12)	46,972	46,972
Shares to be issued	834,500	-
Deficit	(9,693,689)	(8,001,207)
Accumulated other comprehensive income	(36,624)	(9,910)
TOTAL DEFICIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(659,557)	(670,555)
Non-controlling interests	(147,969)	(72,395)
TOTAL DEFICIT	(807,526)	(742,950)
TOTAL LIABILITIES AND DEFICIT	$ 1,296,147	$ 819,868

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 20)

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

Tantalex Resources

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(unaudited)
For the three and nine months ended November 30, 2017 and November 30, 2016
(expressed in Canadian dollars)

	Three months ended November 30,		Nine months ended November	
	2017	2016	2017	2016
EXPENSES				
General and administrative (Note 19)	$ 499,427	$ 663,743	$ 1,601,692	$ 1,429,863
Share based payments	-	446,250	-	446,250
LOSS BEFORE OTHER ITEMS	(499,427)	(1,109,993)	(1,601,692)	(1,876,113)
Gain (loss) on settlement of debt (Note 13)	-	(52,500)	(166,364)	166,225
(Loss) on fair value adjustment of shares owing	-	-	-	(45,725)
NET LOSS FOR THE PERIOD	$(499,427)	$ (1,162,493)	$(1,768,056)	$ (1,755,613)
NET LOSS ATTRIBUTABLE TO:				
Equity holders of the Company	$(443,534)	$ (1,138,164)	$(1,692,482)	$ (1715,182)
Non-controlling interests	(55,893)	(24,328)	(75,574)	(40,431)
	$(499,427)	$ (1,162,492)	$(1,768,056)	$ (1,755,613)
BASIC AND DILUTED LOSS PER SHARE	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.03)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(unaudited)
For the three and nine months ended November 30, 2017 and November 30, 2016
(expressed in Canadian dollars)

	Three months ended November 30,		Nine months ended November	
	2017	2016	2017	2016
NET LOSS FOR THE PERIOD	$(499,427)	$ (1,162,492)	$(1,768,056)	$ (1,755,613)
Item of other comprehensive income to be subsequently reclassified to net loss				
Foreign currency translation	(27,776)	1,895	(26,714)	1,145
COMPREHENSIVE LOSS	$(527,203)	$ (1,160,598)	$(1,794,770)	$ (1,754,468)
NET COMPREHENSIVE LOSS				
Equity holders of the Company	$(471,310)	$ (1,167,964)	$(1,719,196)	$ (1,770,571)
Non-controlling interests	(55,893)	7,367	(75,574)	16,103
	$(527,203)	$ (1,160,598)	$(1,794,770)	$ (1,754,468)

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 nine months ended November 30, 2017 and November 30, 2016

(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, 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)
Shares issued by private placement	26,390,000	2,119,000	(84,000)	-	-	-	-	-	-	2,035,000
Valuation of warrants issued on private placement	-	(732,507)	-	-	732,507	-	-	-	-	-
Share issue costs		(385,328)			149,388					(235,940)
Shares issued on conversion of debt	32,737,553	1,553,153	-	-	-	-	-	-	-	1,553,153
Shares issued on exercise of warrants	1,000,000	75,816	-	-	(20,816)	-	-	-	-	55,000
Expiry of warrants	-	-	-	-	(168,664)	168,664	-	-	-	-
Reclassified as advance	-	-	(45,000)	-	-	-	-	-	-	(45,000)
Share based payments						446,250				446,250
Net loss for the period	-	-	-	-	-	-	-	(1,715,182)	(40,431)	(1,755,613)
Exchange differences on translating foreign operations	-	-	-	-	-	-	1,145	-	-	1,145
Balance as at November 30, 2016	103,455,996	$ 5,162,337	$ -	$ 31,183	$ 933,220	$ 1,143,033	$ 2,427	$ (7,779,583)	$ (43,531)	$ (550,914)
Balance as at February 28, 2017	104,455,996	$ 5,025,622	$ -	$ 46,972	$ 1,154,572	$ 1,113,396	$ (9,910)	$ (8,001,207)	$ (72,395)	$ (742,950)
Shares issued on conversion of debt	5,115,210	460,369	-	-	-	-	-	-	-	460,369
Shares issued on exercise of warrants	7,815,000	720,628	-	-	(285,303)	-	-	-		435,325
Expiry of warrants	-	-	-	-	(12,490)	12,490	-	-	-	-
Net loss for the year	-	-	-	-	-	-	-	(1,692,482)	(75,574)	(1,768,057)
Funds received in advance of closing private placement	-	-	834,500	-	-	-	-	-	-	834,500
Exchange differences on translating foreign operations	-	-	-	-	-	-	(26,714)	-	-	(26,714)
Balance as at November 30, 2017	117,386,206	$ 6,206,619	$ 834,500	$ 46,972	$ 856,779	$ 1,125,886	$ (36,624)	$ (9,693,689)	$ (147,969)	$ (807,526)

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 nine months ended November 30, 2017 and November 30, 2016

(expressed in Canadian dollars)

	2017	2016
OPERATING ACTIVITIES		
Net loss before income taxes	$(1,768,056)	$(1,755,613)
Operating items not involving cash		
Accretion expense (Note 12)	21,719	18,792
Interest on convertible debentures (Note 12)	38,881	24,600
Amortization of equipment (Note 7)	12,079	2,838
Loss on fair value adjustment of shares owing	-	45,725
Share based payments	-	446,250
Loss on settlement of debt	166,364	(166,225)
Shares issued for services	25,000	-
Changes in working capital items		
Prepaid expenses and deposits	46,621	(39,867)
Sales tax and other receivables	(59,824)	(31,869)
Trade payables and accrued liabilities	156,765	478,754
Due to directors	91,043	131,777
Due to related party	(3,200)	(23,371)
Cash flows from operating activities	(1,280,951)	(868,209)
INVESTING ACTIVITIES		
Additions to exploration and evaluation assets	(372,151)	(126,971)
Cash flows used in investing activities	(372,151)	(126,971)
FINANCING ACTIVITIES		
Promissory notes receivable	-	119,610
Issuance of common shares on exercise of warrants (Note 13)	435,323	1,854,060
Proceeds received from issuance of debentures	512,998	-
Subscriptions received in advance	834,500	-
Cash flows from financing activities	1,782,821	1,973,670
NET DECREASE IN CASH	129,719	978,490
Effect of exchange rate fluctuations	(24,756)	1,145
CASH, BEGINNING OF PERIOD	533,261	26,059
CASH, END OF PERIOD	$638,224	$1,005,694

Note 15 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 Lithium and Tantalum ore and other strategic metals in the Democratic Republic of Congo.

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 333 Bay street #630, Toronto, Ontario, M5H 2R2.

The Board of Directors approved and authorized for issue these consolidated financial statements on January 28, 2018.

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 year. 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 nine months ended November 30, 2017 the Company reported a net loss of $1,692,482 (year ended February 28, 2017 - $1,936,806) and has an accumulated deficit of $9,693,689 (February 28, 2017 - $8,001,207). 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 November 30, 2017, the Company had a working capital deficiency of $1,267,620 (February 28, 2017 - $747,526). 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 financial statements do not include all the information and disclosures required in the Company's annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended February 28, 2017.

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. 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 28.

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, 2017 and 2016 ("2017 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 years on or after January 1, 2017 or later years. 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 years beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 2 Share based payments, the amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The effective date is for annual years beginning on or after January 1, 2018. Earlier application is permitted.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

IAS 7 Statement of Cash Flows, the amendment states that it is required to provide disclosure of information that enables the users of the financial statements to evaluate the changes in liabilities arising from financing activities, whether changes relating to cash flows or changes not relating to cash flows. The amendment shall be applied by way of prospective application for annual reporting years beginning on January 1, 2017 or thereafter.

IAS 12 Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual years beginning on or after January 1, 2017.

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 year.

A full impairment loss of the exploration and evaluation assets was recognized for the reporting year ended February 29, 2016.

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

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.

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).

Functional currency
The analysis of the functional currency for each entity of the Company. In concluding on the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences costs of operating in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

6. EXPLORATION AND EVALUATION ASSETS

In September 2016, The Company (through UMC) signed a definitive joint-venture agreement with La Congolaise d'Exploitation Minière SA ("COMINIÈRE SA"), a private company in which 90% of the share capital is state-owned by the Democratic Republic of Congo ("DRC"), and 10% is owned by L'Institut National de Sécurité Sociale du Congo, DRC's largest Social Security and Pension fund.

The joint-venture entity is named United Cominière sas ("UNITED COMINIÈRE"). The purpose of this union is to explore for, develop, and to put into production high-tech mineral deposits that exist on the properties belonging to UNITED COMINIÈRE. The Company will own 70% of this joint venture. The four properties, which are fully permitted for exploration and production, cover a total area of 1,343 square kilometers, and are located in Katanga (city of Manono), in the DRC.

Under the terms of the agreement, the Company is obligated to pay up to USD$50,000 for entering into the joint venture agreement, which is dependent on timing of the site visits. During the year ended February 28, 2017, the Company paid the first instalment of $9,804 for entering in to the joint venture and paid the remaining balance during the current period.

During the nine months ended November 30, 2017, the Company incurred $225,027 for mining/exploration permits, as well as property taxes on certain properties (year ended February 28, 2017 - $34,945). In addition, the Company incurred $82,735 related to an airborne magnetic and radiometric survey over the entire Buckell Lithium project.

(expressed in Canadian dollars)

7. EQUIPMENT

	Office	Office	Equipment	Vehicle	Total
Cost					
February 28, 2016	$ -	$ -	$ 5,984	$ -	$ 5,984
Additions	5,000	5,414	-	56,598	67,012
Dispositions	-	-	-	-	-
February 28, 2017	5,000	5,414	5,984	56,598	72,996
Foreign currency adjustment	-	(201)	-	(2,090)	(2,291)
November 30, 2017	**$5,000**	**$5,213**	**$ 5,984**	**$54,508**	**$70,705**
Accumulated Depreciation					
February 28, 2016	$ -	$ -	$4,815	$ -	$4,815
Depreciation	750	541	1,169	8,489	10,949
February 28, 2017	750	541	5,984	8,489	15,764
Foreign currency adjustment	-	(20)	-	(313)	(333)
Depreciation	954	701	-	10,424	12,079
November 30, 2017	**$1,704**	**$1,222**	**$5,984**	**$18,601**	**$27,511**
Carrying amounts					
February 28, 2017	$4,250	$4,873	$ -	$48,109	$57,232
November 30, 2017	**$3,296**	**$3,982**	**$ -**	**$35,907**	**$43,194**

8. LOAN

The Company was party to a factoring contract with FinexCorp Inc. (“Finex”) under which the Company had the possibility to effect the factoring of its accounts receivable against a fee as a percentage of the receivables transferred. The maximum amount of receivables that could be transferred to FinexCorp Inc. amounts to $500,000. The transaction had 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. The loan was secured by a $750,000 mortgage, 25% per annum, on the universality of the Company's moveable tangible and intangible assets.

On October 20, 2016, the Company entered into an agreement to settle $157,500 of debt through the issuance of 1,500,000 common shares based on an agreed issue price of $0.105 per share (the “Common Shares”). The fair market value of the shares at the date of issuance was $210,000 ($0.14 per share). This resulted in a loss on the settlement in the amount of $52,500. The remaining balance of the advances in the amount of $167,623 carries an annual interest rate of 6%, and has no specific terms of repayment. Total interest accrued at November 30, 2017 was $9,996 (February 28, 2017 - $2,453), for a total principal and interest balance of $177,619 (February 28, 2017 - $170,076).

9. NOTE PAYABLE

On December 20, 2016, the Company converted $125,000 of debt, in to a convertible debenture bearing interest at 6% per annum, convertible into common share at $0.10 maturing December 20, 2018 (note 13). During the year ended February 28, 2017, $41,066 was transferred to the Finex loan (note 8).

(expressed in Canadian dollars)

10. PROMISSORY NOTES

On September 25, 2014, the Company closed a $65,000 debt financing in the form of three promissory notes. The promissory notes were unsecured, accrued 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. On June 1, 2016, the principal and interest were settled with the issuance of 1,679,820 common shares at a deemed price of $0.05 (this settlement is part of the group of settlement agreement described in note 14(ii)). The fair market value of the shares on the settlement date was $0.04, resulting in a gain on settlement in the amount of $16,798.

11. 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 senior VP, is as follows:

	2017	2016
Management consulting fees	**$ 207,000**	$ 207,000
	$ 207,000	$ 207,000

During the nine months ended November 30, 2017, $54,000 (nine months ended November 30, 2016 - $54,000) of fees were charged by CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company. As at November 30, 2017, $126,000 of the fees are outstanding (February 28, 2017 - $83,300). On June 1, 2016, $125,000 of fees were settled with the issuance of 2,500,000 common shares at a deemed price of $0.05. The fair market value of the shares on the settlement date was $0.04, resulting in a gain on settlement in the amount of $25,000. The settlement is part of the group of settlement agreements as further described in note 14(ii)).

As at November 30, 2017, $47,894 (February 28, 2016- $47,894) 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 November 30, 2017, $18,002 (February 28, 2017 - $21,202) 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. $150,000 owing to Charbone Buckell was partially settled through the issuance of 3,000,000 common shares at a price of $0.05 (this settlement is part of the group of settlement agreements described further in note 14(ii)). The fair market value of the shares on the settlement date was $0.04, resulting in a gain on settlement in the amount of $30,000.

As at November 30, 2017, $48,711 (February 29, 2016 – $14,668) 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. On June 1, 2016, $150,000 of debt was settled through the issuance of 3,000,000 common shares at a price of $0.05 (this settlement is part of the group of settlement agreement described further in note 14(ii)). The fair market value of the shares on the settlement date was $0.04, resulting in a gain on settlement in the amount of $30,000.

As at November 30, 2017, $200,157 (February 28, 2017 – $143,157) was payable to Sylvain Giffard, a director (effective November 15, 2015), for outstanding management fees and advances. On June 1, 2016, $32,953 of debt was settled through the issuance of 659,071 common shares at a price of $0.05 (this settlement is part of the group of settlement agreements described further in note 14(ii)). The fair market value of the shares on the settlement date was $0.04, resulting in a gain on settlement in the amount of $6,590.

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

(expressed in Canadian dollars)

12. CONVERTIBLE DEBENTURES

	November 30, 2017	February 28, 2017
	$	$
Convertible debenture liability component:		
Balance, at beginning of the year	**423,023**	272,728
Convertible debenture issued	**513,000**	92,014
Settlement of debenture	**(246,423)**	-
Accretion expense	**20,720**	26,883
Accrued interest	**31,535**	31,398
Balance, at the end of the year (short-term)	**741,855**	**325,618**
Balance, at the end of the year (long-term)	**-**	**97,405**
Balance of the equity component at the end of the year	**64,169**	**64,169**

The $100,000 debenture, issued on December 22, 2011, bears interest at the rate of 10% per annum, discounted at 23% and matured in December 2016. The debenture holder had 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 $75,000 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 had 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.

On March 24, 2017, the December 22, 2011 and March 14, 2012 debentures (plus interest) were settled for 4,163,580 common shares. On the date of issuance, the shares had a fair market value of $0.09.

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. The debenture is currently in default.

On December 20, 2016, the Company converted $125,000 of debt (note 9), in to a convertible debenture bearing interest at 6% per annum, convertible into common share at $0.10 maturing December 20, 2018. For accounting purposes, the $125,000 has been allocated based on the relative fair values of the debt. The fair value of the debentures was determined to be $92,014 using a discount rate of 20%. The residual value of $32,986 was allocated to the equity component of the convertible Debentures.

On May 16, 2017. the Company completed a non-brokered private placement financing raising gross proceeds of $300,000 through the issuance of a convertible debenture in the amount of $300,000 bearing interest of 10% per annum and having an expiry date that is three months following its issuance. The debenture can be converted to common shares at a conversion price of $0.05 per share. The maturity date had been extended to October 16, 2017, and is currently being negotiated for a further extension.

On August 22, 2017. the Company completed a non-brokered private placement financing raising gross proceeds of $213,000 (USD$170,000) through the issuance of a debenture bearing interest of 10% per annum and having an expiry date that is nine months following its issuance. On maturity, the holder will receive 2,500,000 common share purchase warrants entitling the holder to purchase common shares of the Company at a price of $0.055 per share for a period of 18 months.

(expressed in Canadian dollars)

13. 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 29, 2016	**43,328,443**	**$2,532,203**
Shares issued on conversion of debt (i)	31,237,553	1,343,153
Shares issued by private placement (ii)	840,000	84,000
Shares issued by private placement (iii)	10,400,000	520,000
Valuation of warrants issued on private placement (iii)	-	(237,391)
Valuation of broker warrants issued on private placement (iii)	-	(67,200)
Shares issued by private placement (iv)	15,150,000	1,515,000
Valuation of warrants issued on private placement (iv)	-	(560,427)
Valuation of broker warrants issued on private placement (iv)	-	(228,592)
Cash issue costs (iv)	-	(235,940)
Shares issued on exercise of warrants (v)	2,000,000	110,000
Valuation of warrants exercised (v)	-	40,816
Shares issued on conversion of debt (vi)	1,500,000	210,000
Total shares issued and fully paid at February 28, 2017	**104,455,996**	**$5,025,622**
Shares issued on exercise of warrants (vii)	7,915,000	435,325
Valuation of warrants exercised (vii)	-	285,303
Shares issued on conversion of debt (viii)	5,115,210	460,369
Total shares issued and fully paid at November 30, 2017	**117,386,206**	**$6,206,619**

(i) On June 1, 2016, the Company entered into settlement agreements (the "Settlement Agreements") with various creditors whereby Tantalex issued common shares at a price of $0.05 per common share (the "Shares for Debt Settlement"). Pursuant to the Settlement Agreements, $1,483,836 was settled and a total of 29,676,713 common shares were issued to the creditors. Four of the creditors are insiders of the Company (or related to insiders of the Company). Dave Gagnon (CEO and director of the Company), Kyle Appleby (CFO of the Company), Sylvain Giffard (director of the Company), and Briere & Lebeuf Inc. (a law firm in which Michel Lebeuf, a director and corporate secretary of the Company was a former shareholder), have settled a total of $352,953 for 7,059,071 common shares. On June 1, 2016, the fair market value of the Tantalex shares was $1,187,069 ($0.04 per share). This resulted in a gain on the settlement in the amount of $296,767.

13. EQUITY (continued)

On July 5, 2016, the Company settled debt in the amount of $78,043 with two additional creditors. These debts were settled with the issuance of 1,560,840 common shares at a deemed price of $0.05. The fair market value of the shares at the date of issuance was $156,084 ($0.10 per share). This resulted in a loss on the settlement in the amount of $78,042.

(ii) During 2014 the Company received $84,000 in advance of closing a private placement. The shares related to this private placement had initially not been issued due to a cease trade order on the securities of the company. On June 1, 2016, the Company issued 840,000 common shares at the agreed price of $0.10 per share. As at February 29, 2016, an additional $45,000 was received in advance. This amount was subsequently reclassified as a loan advance and repaid through part of the conversion of debt noted in 14(vii).

(iii) On July 5, 2016, the Company completed a private placement financing by issuing a total of 10,400,000 common share units ("Units") at a price of $0.05 per Unit for gross proceeds of $520,000. 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 $237,391 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.49%; expected volatility of 202%; 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.

A finder's fee in the amount of 800,000 compensation warrants. These warrants were assigned a value of $67,200 using the Black Scholes option pricing model with the same assumptions used for the Warrants.

(iv) On October 5, 2016, the Company completed a private placement financing by issuing a total of 15,150,000 common share units ("Units") at a price of $0.10 per Unit for gross proceeds of $1,515,000. 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 $0.15 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 $560,427 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.55%; expected volatility of 130%; 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.

A finder's fees in the amount of 2,512,000 compensation warrants. These warrants were assigned a value of $228,592 using the Black Scholes option pricing model with the same assumptions used for the Warrants. The Company also paid cash compensation cost of $184,450, plus legal and other fee for total cash issue costs of $235,940.

(v) During the year ended February 28, 2017, the Company issued 2,000,000 common shares as a result of the exercise of 2,000,000 warrants. The cash proceeds from the warrant exercises of $110,000 and the grant date fair value of $40,816 (recorded as broker warrants) were transferred to common shares upon exercise.

(vi) On November 11, 2016, the Company settled $157,500 of debt through the issuance of 1,500,000 common shares based on an agreed issue price of $0.105 per share (the "Common Shares"). The fair market value of the shares at the date of issuance was $210,000 ($0.14 per share). This resulted in a loss on the settlement in the amount of $52,500.

(expressed in Canadian dollars)

13. EQUITY (continued)

(vii) During the nine months ended November 30, 2017, the Company issued 7,915,000 common shares as a result of the exercise of 7,915,000 warrants. The cash proceeds from the warrant exercises of $435,325 and the grant date fair value of $285,303 were transferred to common shares upon exercise.

(viii) On March 24, 2017, the Company settled debt totaling $294,005 with the issuance of 5,115,210 common shares. Included in this issuance was 4,163,580 shares issued to settle $246,423 of the convertible debentures (note 12). The shares had a fair market value of $460,369 on the date of issuance resulting in a loss on settlement of $166,364.

Warrants
The following summarizes the activity during the nine months ended November 30, 2017 and the year ended February 28, 2017:

	Number of warrants	Amount
Balance at February 29, 2016	7,803,338	240,805
Expired	(3,303,336)	(139,027)
Issued	28,862,000	1,093,610
Exercised	(2,000,000)	(40,816)
Balance at February 28, 2017	31,362,002	$ 1,154,572
Exercised	(7,915,000)	(285,303)
Expired	(1,600,002)	(12,490)
Balance at November 30, 2017	21,847,000	$ 827,041

Summary of warrants outstanding as at November 30, 2017:

Grant Date	Expiry date	# of Warrants	Exercise price
7/5/2016	1/5/2018	4,825,000	0.055
10/5/2016	4/5/2018	16,362,000	0.150
10/5/2016	1/5/2018	660,000	0.150
		21,847,000	

The weighted average expiry date is 0.28 years
The weighted average exercise price is $0.13

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.

On September 7, 2016, the Company granted 4,250,000 options to purchase common shares of the Company to Directors and Officers of the Company, all exercisable at a price of $0.12 for a period of five (5) years and vesting immediately, subject to the Company's stock option plan. These options were assigned a value of $446,250 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.62%; expected volatility of 137%; expected dividend yield of 0% and an expected five years. Expected volatility was based on the historical volatility of other comparable listed companies.

(expressed in Canadian dollars)

13. EQUITY (continued)

The following summarizes the activity during the nine months ended November 30, 2017 and the year ended February 28, 2017:

	Number of options	Exercise price
Balance at February 29, 2016 and February 28, 2015	2,319,247	$ 0.09
Expired	(2,319,247)	$(0.09)
Issued	4,250,000	$ 0.12
Balance at February 28, 2017 and November 30, 2017	**4,250,000**	**$ 0.12**

The following options are outstanding as at November 30, 2017:

Grant Date	Expiry date	# of Options	Exercise price
7-Sept-16	31-Aug-21	4,250,000	0.12

The weighted average expiry date is 3.75 years
The weighted average exercise price is $0.12

14. LOSS PER SHARE

The weighted average number of common shares outstanding used for the calculation for the three and nine months ended November 30, 2017 was 115,453,788 (2016 – 96,159,293) and 113,554,829 (2016 – 73,362,399), 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.

15. 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:

	November 30, 2017	November 30, 2016
Shares issued for settlement of debt	**$ 460,369**	$ 1,553,153

16. 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, loan, due to directors, and the convertible debentures.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying amount and fair value of financial instruments, with the exception of 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 the convertible debentures has been determinate using the present value of cash flows method.

17. 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 nine months ended November 30, 2017. The Company is not subject to any externally imposed capital requirements as at November 30, 2017. 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.

18. 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.

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 (Note 2).

(expressed in Canadian dollars)

18. FINANCIAL INSTRUMENT RISKS (continued)

As at November 30, 2017, management estimates that funds available will not be sufficient to meet the Company's obligations through the next twelve months. 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 United States dollar will affect the Company's operations and financial results. At November 30, 2017, the Canadian equivalent value of assets and liabilities denominated in a foreign currency consisted of cash and deposits of $USD60,221 and deposits of $USD28,000. 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 November 30, 2017 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 years 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.

19. GENERAL AND ADMINISTRATIVE

A breakdown of the general and administrative expenses for the three and nine months ended November 30, 2017 and November 30, 2016:

	Three months ended November 30,		Nine months ended November 30,	
	2017	2016	2017	2016
Office and general	$ 133,827	$ 54,158	$ 365,768	$ 106,413
Professional and consulting fees	152,578	413,090	602,113	866,550
Management fees	69,000	69,000	207,000	207,000
Travel	116,769	109,876	354,932	199,563
Amortization	3,787	2,838	12,079	2,838
Interest and accretion	23,466	14,781	59,800	47,499
	$ 499,427	$ 663,743	$ 1,601,692	$ 1,429,863

20. SUBSEQUENT EVENT

On December 21, 2017, the Company completed a non-brokered private placement financing raising gross proceeds of $2,430,000 through the issuance of 24,300,000 units ("Units") at $0.10 per Unit. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles its holder thereof to acquire one common share at an exercise price of $0.12 per common share up to the date that is thirty-six months from closing.