Tantalex Resources Corporation
CONSOLIDATED FINANCIAL STATEMENTS
Years ended February 28, 2018 and February 28, 2017
(Expressed in Canadian dollars)

Independent Auditors' Report

To the Shareholders of Tantalex Resources Corporation:

We have audited the accompanying consolidated financial statements of Tantalex Resources Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2018 and February 28, 2017 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended February 28, 2018 and February 28, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2018 and February 28, 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

MNP LLP

Toronto, Ontario
June 29, 2018

Chartered Professional Accountants
Licensed Public Accountants

MNP LLP

Tantalex Resources Corporation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in Canadian dollars)

	As at February 28, 2018	As at February 28, 2017
ASSETS		
CURRENT ASSETS		
Cash	$2,650,348	$533,261
Prepaid expenses and deposits (Note 7)	168,153	89,325
Sales tax receivable	177,209	95,301
	2,995,710	717,887
Equipment (Note 8)	256,739	57,232
Deposits (note 7)	704,490	-
Exploration and Evaluation Assets (Note 6)	931,791	44,749
TOTAL ASSETS	$4,888,730	$819,868
LIABILITIES		
CURRENT LIABILITIES		
Trade payables and accrued liabilities (note 10)	$899,922	$742,798
Loan (Note 9)	258,739	170,076
Due to related companies (Note 10)	65,896	69,096
Due to directors (Note 10)	289,487	157,825
Convertible debentures (Note 11)	402,952	325,618
	1,916,996	1,465,413
Convertible debentures (Note 11)	-	97,405
TOTAL LIABILITIES	$1,916,996	$1,562,818
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 12)	9,105,428	5,025,622
Contributed surplus	1,331,268	1,113,396
Warrants (Note 12)	3,129,437	1,154,572
Equity component of convertible debentures (Note 11)	17,739	46,972
Shares to be issued	-	-
Deficit	(10,390,766)	(8,001,207)
Accumulated other comprehensive income	510	(9,910)
TOTAL DEFICIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	3,193,616	(670,555)
Non-controlling interests	(221,882)	(72,395)
TOTAL DEFICIT	2,971,734	(742,950)
TOTAL LIABILITIES AND DEFICIT	$ 4,888,730	$ 819,868

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 20)

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

Tantalex Resources Corporation

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended February 28, 2018 and February 28, 2017
(expressed in Canadian dollars)

	2018	2017
EXPENSES		
General and administrative (Note 18)	$ 2,629,143	$ 1,973,261
Impairment of exploration and evaluation assets	-	12,767
Share-based payments (Note 12)	-	446,250
LOSS BEFORE OTHER ITEMS	(2,629,143)	(2,432,278)
Gain on settlement of debt (Note 12)	90,649	254,705
Fair value adjustment for balance of sale	-	200,000
Loss on fair value adjustment of shares owing	-	(45,725)
NET LOSS FOR THE YEAR BEFORE TAX	$(2,538,494)	$(2,023,298)
Deferred tax (expense) recovery	(552)	17,197
NET LOSS FOR THE YEAR	$(2,539,046)	$(2,006,101)
NET LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$(2,389,559)	$(1,936,806)
Non-controlling interests	(149,487)	(69,295)
	$(2,539,046)	$(2,006,101)
BASIC AND DILUTED LOSS PER SHARE (Note 13)	$ (0.02)	$ (0.03)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the years ended February 28, 2018 and February 29, 2017
(expressed in Canadian dollars)

	2018	2017
NET LOSS FOR THE YEAR	$(2,539,046)	$(2,006,101)
Item of other comprehensive income		
to be subsequently reclassified to net loss		
Foreign currency translation	10,420	(11,192)
COMPREHENSIVE LOSS	(2,528,626)	$(2,017,293)
NET COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$(2,379,139)	$(1,947,998)
Non-controlling interests	(149,487)	(69,295)
	$(2,528,626)	$(2,017,293)

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

Tantalex Resources Corporation

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended February 28, 2018 and February 28, 2017

(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	-	(797,818)	-	-	797,818	-	-	-	-	-
Share issue costs		(531,732)			295,792					(235,940)
Shares issued on conversion of debt	32,737,553	1,553,153	-	-	-	-	-	-	-	1,553,153
Shares issued on exercise of warrants	2,000,000	150,816	-	-	(40,816)	-	-	-	-	110,000
Expiry of warrants	-	-	-	-	(139,027)	139,027	-	-	-	-
Reclassified as advance	-	-	(45,000)	-	-	-	-	-	-	(45,000)
Equity component of convertible debenture issued	-	-	-	15,789	-	-	-	-	-	15,789
Share based payments	-	-	-	-	-	446,250	-	-	-	446,250
Net loss for the period	-	-	-	-	-	-	-	(1,936,806)	(69,295)	(2,006,101)
Exchange differences on translating foreign operations	-	-	-	-	-	-	(11,192)	-	-	(11,192)
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)
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	7,198,020	413,467	-	(40,881)	-	5,278	-	-	-	377,864
Shares issued on exercise of warrants	11,620,000	1,151,944	-	-	(396,944)	-	-	-		755,000
Shares issued on private placement	57,984,440	4,980,000	-	-	-	-	-	-	-	4,980,000
Valuation of warrants on private placement	-	(2,471,750)	-	-	2,471,750	-	-	-	-	-
Share issued costs	-	(229,018)	-	-	22,403	-	-	-	-	(206,615)
Shares issued for services	2,000,000	140,000	-	-	-	-	-	-	-	140,000
Expiry of warrants	-	-	-	-	(212,594)	212,594	-	-	-	-
Settlement of debt for shares	951,630	95,163	-	11,648	90,250	-	-	-	-	197,061
Net loss for the year	-	-	-	-	-	-	-	(2,389,559)	(149,487)	(2,539,046)
Funds received in advance of closing private placement	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-	-	10,420	-	-	10,420
Balance as at February 28, 2018	184,210,086	$ 9,105,428	$ -	$ 17,739	$ 3,129,437	$ 1,331,268	$ 510	$ (10,390,766)	$ (221,882)	$ 2,971,734

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

Tantalex Resources Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended February 28, 2018 and February 28, 2017

(expressed in Canadian dollars)

	2018	2017
OPERATING ACTIVITIES		
Net loss before income taxes	$(2,539,046)	$(2,006,101)
Operating items not involving cash		
Accrued interest and accretion	208,859	58,281
Amortization of equipment	16,316	10,948
Loss on fair value adjustment of shares owing	-	45,725
Gain on settlement of debt	(90,650)	(254,705)
Share based payments	-	446,250
Balance of sale	-	(200,000)
Deferred taxes (recovery)	-	(17,197)
Unrealized foreign exchange gain	18,023	(11,192)
Changes in working capital items		
Prepaid expenses and deposits	61,172	(77,154)
Deposits	(704,490)	-
Sales tax and other receivable	(81,908)	(89,293)
Trade payables and accrued liabilities	334,033	536,200
Due to directors	131,662	169,451
Due to related companies	(3,200)	-
Cash flows from operating activities	(2,649,229)	(1,388,787)
INVESTING ACTIVITIES		
Additions to equipment	(217,259)	(67,012)
Additions to exploration and evaluation assets	(888,325)	(44,749)
Cash flows used in investing activities	(1,105,584)	(111,761)
FINANCING ACTIVITIES		
Due to a related party	-	(23,371)
Proceeds from loans	212,998	-
Repayments of loans outstanding	(169,483)	122,061
Proceeds from the exercise of warrants	755,000	
Issuance of common shares and warrants	4,773,385	2,145,000
Issue costs	-	(235,940)
Proceeds from issuance of debentures	300,000	-
Cash flows from financing activities	5,871,900	2,007,750
NET DECREASE IN CASH	2,117,087	507,202
CASH, BEGINNING OF YEAR	533,261	26,059
CASH, END OF YEAR	$2,650,348	$533,261

Note 14 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 at 333 Bay street #630, Toronto, Ontario, M5H 2R2.

The Board of Directors approved and authorized for issue these consolidated financial statements on June 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 date of the issuance of these financial statements. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classification that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended February 28, 2018 the Company reported a net loss of $2,359,046 (February 28, 2017 - $2,006,101) and has an accumulated deficit of $10,390,766 (February 28, 2016 - $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 February 28, 2018, the Company had a working capital of $1,078,714 (February 28, 2017 – working capital deficiency of $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
The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (”IFRS”), as issued by the International Accounting Standards Board (“IASB”).

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

Basis of consolidation
These consolidated financial statements include the accounts of the Company and those of its subsidiaries TTX Metals Inc., Sandstone Worldwide Ltd., United Materials Congo/UMC, United Cominiere, 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

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

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

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

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

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

4. SUMMARY OF ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

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

4. SUMMARY OF ACCOUNTING POLICIES (continued)

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

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

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

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

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

Each part of an item of equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The periods generally applicable are as follows:

Office furniture and equipment	20% declining balance
Computer equipment	30% declining balance
Vehicle	30% declining balance

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

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

4. SUMMARY OF ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

4. SUMMARY OF ACCOUNTING POLICIES (continued)

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

As at February 28, 2018 and February 28, 2017, there are no provisions in the consolidated statements of financial position relating to claims.

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF ACCOUNTING POLICIES (continued)

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

Deficit includes all current and prior year end accumulated profits or losses.

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

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

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

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

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

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

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

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

Recent accounting pronouncements
IFRS 9 — Financial instruments ("IFRS 9") was updated by the IASB in November 2009 and will replace part of IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 addresses the classification and measurement of financial assets. The two measurement categories for financial assets include amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments — Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not expect adoption to have any material impact.

IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied. The Company does not expect adoption to have any material impact.

IFRS 15 - Revenue from Contracts with Customers. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - Revenue, IAS 11 - Construction Contracts, and a number of revenue related interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts. The Company does not expect adoption to have any material impact.

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

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

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

Impairment of equipment and exploration and evaluation assets

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

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

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

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

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 joint venture is to explore for, develop, and to put into production high-tech mineral deposits that exist on the properties belonging to UNITED

(expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

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 paid USD$50,000 for entering into the joint venture agreement. 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 year.

During fiscal 2018, the Company incurred expenses for mining/exploration permits, as well as property taxes on certain properties. Included in the permits is payment for mining claim PR 13634, KASEKA Cobalt Property (“KASEKA“).. The Company also incurred property expenditures including an airborne survey, field programs, and geological consulting fees.

		2018		2017
Beginning balance	$	44,749	$	-
Acquisition costs		293,566		44,749
Project expenses		594,759		-
Foreign currency adjustment		(1,283)		-
Closing balance	$	931,791	$	44,749

7. PREPAID EXPENSES AND DEPOSITS

		2018		2017
Long Term:				
Deposit on property acquisition	$	704,490	$	-
Short Term				
Deposit on drill program		64,050		-
Deposit on airborne survey		-		41,973
Prepaid consulting contract		99,534		-
Other		4,569		47,352
	$	168,153	$	89,325

(expressed in Canadian dollars)

8. EQUIPMENT

	Office equipment	Office furniture	Equipment	Vehicle	Total
Cost					
February 28, 2016	$ -	$ -	$ -	$ -	$ -
Additions	5,000	5,414	-	56,598	67,012
Dispositions	-	-	-	-	-
February 28, 2017	5,000	5,414	-	56,598	67,012
Additions	-	-	21,901	195,358	217,259
Foreign currency adjustment	-	(156)	-	(1,622)	(1,777)
February 28, 2018	**$ 5,000**	**$ 5,258**	**$ 21,901**	**$ 250,334**	**$282,493**
Accumulated Depreciation					
February 28, 2016	$ -	$ -	$ -	$ -	$ -
Depreciation	750	541	-	8,489	9,780
February 28, 2017	750	541	-	8,489	9,780
Depreciation	1,275	947	-	14,019	16,239
Foreign currency adjustment	-	(15)	-	(250)	(274)
February 28, 2018	**$ 2,025**	**$ 1,472**	**$ -**	**$ 22,258**	**$ 25,755**
Carrying amounts					
February 28, 2017	4,250	4,873	-	48,109	$ 57,232
February 28, 2018	**$ 2,975**	**$ 3,787**	**$ 21,901**	**$ 228,076**	**$256,739**

9. LOAN

The Company was party to a factoring contract with FinexCorp Inc. ("Finex") under which the Company was able to factor its accounts receivable in exchange for a fee calculated as a percentage of the receivables transferred. The maximum amount of receivables that could be transferred to FinexCorp Inc. was $500,000. The transaction was 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 on the universality of the Company's moveable tangible and intangible assets. The mortgage bore interest at a rate of 25% per annum.

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 carries an annual interest rate of 6% and has no specific terms of repayment. During the year ended February 28, 2018, the Company repaid $150,035 of the loan and accrued $10,057 (2017 - $2,453) of interest, leaving a balance remaining of $30,098 (2017 - $170,075).

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 six months following its issuance. The debenture holder was also entitled to 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. The proceeds of $213,000 were allocated between the debenture and warrants. These warrants were assigned a value of $90,250 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.25%; expected volatility of 219%; expected dividend yield of 0% and an expected life of one and a half years. On May 24, 2018, the Company repaid USD$170,000 to settle the principal balance (note 20).

(expressed in Canadian dollars)

10. 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:

	2018	2017
Management and consulting fees	**$ 276,000**	$ 276,000
Share-based payments	**-**	446,250
	$ 276,000	$ 722,250

During the year ended February 28, 2018, $72,000 of fees were charged by CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company. As at February 28, 2018, $145,300 of the fees are outstanding (February 28, 2017 - $83,300) and are included in trade payables and accrued liabilities on the statement of financial position.

As at February 28, 2018, $47,894 (February 28, 2017- $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 and are included in amounts Due to Related Companies on the statement of financial position.

As at February 28, 2018, $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 and are included in amounts Due to Related Companies on the statement of financial position.

As at February 28, 2018, $84,330 (February 28, 2017 – $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 and are included in amounts Due to Directors on the statement of financial position.

As at February 28, 2017, $205,157 (February 28, 2017 – $143,157) was payable to Sylvain Giffard, a director, for outstanding management fees and advances, and are included in amounts Due to Directors on the statement of financial position.

During the year ended February 28, 2018, the Company was charged $288,141 (February 28, 2017 - $181,610) by Dunton Rainville LLP for legal services and disbursements. Michel Lebeuf is a partner of Dunton Rainville LLP and a director and corporate secretary of the Company. As at February 28, 2018, $72,810 (February 28, 2017 - $5,696) was payable to Dunton Rainville and are included in trade payables and accrued liabilities on the statement of financial position.

During the year ended February 28, 2018, 2,000,000 shares were issued to a director and corporate secretary for strategic consulting and business development services.

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

(expressed in Canadian dollars)

11. CONVERTIBLE DEBENTURES

	February 28, 2018	February 28, 2017
	$	$
Convertible debenture liability component:		
Balance, at beginning of the year	**423,023**	272,728
Convertible debenture issued	**300,000**	92,014
Less equity component of debentures issued	**(15,912)**	-
Gain on settlement of debt	**(8,905)**	-
Converted to equity	**(373,047)**	-
Repayments	**(20,000)**	-
Accretion and interest	**97,793**	58,281
Balance, at the end of the year (short-term)	**402,952**	**325,618**
Balance, at the end of the year (long-term)	**-**	**97,405**
Balance of the equity component at the end of the year	**17,739**	**64,169**

The $100,000 debenture, issued on December 22, 2011, bore 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 $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.

On March 24, 2017, the December 22, 2011 and May 17, 2012 debentures (plus interest) were converted to 4,163,580 common shares, at $0.05 per share, and resulted in a gain on conversion in the amount of $24,283.

The $75,000 debenture, issued on March 14, 2012, bore interest at a rate of 10% per annum, discounted at 23% and matured in March 2017. The debenture holder and the Company agreed to an extension of the maturity date. 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 February 28, 2018, the principal and accrued interest were converted at the option of the holder into 2,684,440 common shares.

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. 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. During the year ended February 28, 2018, the Company repaid $20,000 of this debenture in cash (resulting in a loss on repayment in the amount of $2,487). In February 2018 the holder of the debenture converted $35,000 of the debenture in to 350,000 common shares.

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. For accounting purposes, the $300,000 has been allocated based on the relative fair values of the debt. The fair value of the debentures was determined to be $284,087 using a discount rate of 22%. The residual value of $15,913 was allocated between an equity component ($11,648) of the convertible Debentures and a deferred tax recovery of $4,265. The debenture can be converted to common shares at a conversion price of $0.05 per share.

(expressed in Canadian dollars)

12. 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)	-	(446,001)
Valuation of broker warrants issued on private placement (iii)	-	(32,800)
Shares issued by private placement (iv)	15,150,000	1,515,000
Valuation of warrants issued on private placement (iv)	-	(498,221)
Valuation of broker warrants issued on private placement (iv)	-	(116,588)
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)	11,620,000	755,000
Valuation of warrants exercised (vii)	-	396,944
Shares issued on private placement (viii)	57,984,440	4,980,000
Valuation of warrants issued on private placement (viii)	-	(2,471,750)
Share issue expenses (viii)	-	(229,018)
Shares issued for services (ix)	2,000,000	140,000
Shares issued on conversion of debt (x)	7,198,020	413,467
Shares issued on settlement of debt (xi)	951,630	95,163
Total shares issued and fully paid at February 28, 2018	**184,210,086**	**$ 9,105,428**

(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.

12. 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 12(vi).

(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.

12. EQUITY (continued)

(vii) During the year ended February 28, 2018, the Company issued 11,620,000 common shares as a result of the exercise of 11,620,000 warrants. The cash proceeds from the warrant exercises of $755,000 and the grant date fair value of $396,944 (recorded as broker warrants) were transferred to common shares upon exercise.

(viii) On December 21, 2017, the Company completed a non-brokered private placement financing raising gross proceeds of $2,480,000 through the issuance of 24,800,000 units ("Units") at $0.10 per Unit. Each Unit consisted of one common share and one common share purchase warrant (a "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 (36) months from closing. These warrants were assigned a value of $1,229,813 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.72%; expected volatility of 274%; expected dividend yield of 0% and an expected life of three years. Finders fees in the amount of 254,000 compensation warrants were issued. These warrants were assigned a value of $22,403 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.48-1.50%; expected volatility of 274%; expected dividend yield of 0% and an expected life of three years. The Company also paid cash compensation cost of $140,500, plus legal and other fee for total cash issue costs of $206,615.

On February 9, 2018, the Company completed a non-brokered private placement financing raising gross proceeds of $2,500,000 through the issuance of 25,000,000 units ("Units") at $0.10 per Unit. Each Unit consisted of one common share and one common share purchase warrant (a "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 (36) months from closing. These warrants were assigned a value of $1,241,935 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.92%; expected volatility of 276%; expected dividend yield of 0% and an expected life of three years.

During the year ended February 28, 2018, the Company issued 8,184,440 commons shares in error as no consideration was received. The Company is currently in the process of cancelling the shares but they were outstanding as of February 28, 2018 and have been included in the shares outstanding in these consolidated financial statements as of year-end. Upon cancellation of the shares the Company will reduce the number of shares outstanding in the Company as disclosed in these consolidated financial statements.

(ix) During the year ended February 28, 2018, 2,000,000 shares were issued to a director and corporate secretary for startigic consulting and business development services (note 10).

(x) During the year ended February 28, 2018, the Company issued 7,198,020 common shares as a result of the conversion of debentures (note 11).

(xi) On March 24, 2017, the Company issued 951,630 common shares to settle debt in the amount of $47,581. At the date of issuance, the shares had a fair market value of $95,163 resulting in a loss on settlement of debt in the amount of $47,582.

(expressed in Canadian dollars)

12. EQUITY (continued)

Warrants
The following summarizes the activity during the year ended February 28, 2018 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
Expired	(5,812,002)	(212,594)
Issued	52,554,000	2,584,403
Exercised	(11,620,000)	(396,944)
Balance at February 28, 2018	66,484,000	$ 3,129,437

Summary of warrants outstanding as at February 28, 2018:

Grant Date	Expiry date	Remaining life	Weighted ave expiry date	# of Warrants	Weighted ave exercise price	Exercise price
10/5/2016	04/05/2018	0.10	0.02	13,930,000	0.03	0.15
08/22/2016	02/22/2019	0.98	0.04	2,500,000	0.00	0.15
11/22/2018	11/22/2020	2.73	0.01	154,000	0.00	0.055
11/30/2017	11/30/2020	2.76	0.00	100,000	0.00	012
12/20/2017	12/20/2020	2.81	0.52	12,500,000	0.02	0.12
01/09/2018	01/09/2021	2.87	0.52	12,300,000	0.02	0.12
02/09/2018	02/09/2021	2.95	1.09	25,000,000	0.04	0.12
			2.20	66,484,000	0.12	

The weighted average expiry date is 2.20 years
The weighted average exercise price is $0.12

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.

The following summarizes the activity during the year ended February 28, 2018 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 February 28, 2018	**4,250,000**	**$ 0.12**

(expressed in Canadian dollars)

12. EQUITY (continued)

The following options are outstanding as at February 28, 2018:

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 3.51 years
The weighted average exercise price is $0.12

13. LOSS PER SHARE

The weighted average number of common shares outstanding used for the calculation for 2018 was 121,518,485 (2017 - 80,841,802).

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.

14. 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:

	February 28, 2018	February 28, 2017
Shares issued for services	**$140,000**	$ -
Shares issued on conversion and settlement of debt	**$508,630**	**$1,553,153**

15. 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.

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.

16. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

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

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financing liabilities. The Company manages the capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. There were no changes in the Company's approach to capital management during the year ended February 28, 2018. The Company is not subject to any externally imposed capital requirements as at February 28, 2018. 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.

17. 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).

As at February 28, 2018, 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.

(expressed in Canadian dollars)

17. FINANCIAL INSTRUMENT RISKS (continued)

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 February 28, 2018, the Company has assets ($2,014,771) denominated in a foreign currency. The impact on operations and comprehensive income and equity of a 10% increase or decrease in foreign currencies to the Canadian dollar exchange rate on the Company's financial instruments based on balances at February 28, 2018 would be $175,076.

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.

18. GENERAL AND ADMINISTRATIVE

A breakdown of the general and administrative expenses for the year ended February 28, 2018 and February 28, 2017:

		2018		2017
Insurance	**$**	**22,104**	$	8,556
Transfer agent and shareholder registration		**17,694**		7,242
Legal and audit		**371,517**		195,660
Conference		**27,113**		-
Consulting fees		**712,945**		896,015
Financial costs		**209,133**		75,657
Management fees		**276,000**		276,000
Office and general		**364,047**		129,483
Travel and costs of working abroad		**612,575**		292,936
Amortization of equipment		**16,316**		10,898
License to export		**-**		80,814
	$	**2,629,143**	**$**	**1,973,261**

(expressed in Canadian dollars)

19. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.8% to the effective tax rates is as follows:

		February 28, 2018		February 28, 2017
Net loss before recovery of income taxes	$	(2,539,046)	$	(2,023,298)
Expected income tax recovery		(680,460)		(542,240)
Difference in foreign tax rates		(23,920)		(11,310)
Difference in tax rate from prior year		-		5,420
Non-deductible expenses		(97,980)		(218)
Non-deductible expenses (prior years)		89,250		-
True-up of non-capital losses		-		(16,971)
Change in tax benefits not recognized		517,700		514,180
	$	-	$	-

The following table summarizes the components of deferred tax:

		February 28, 2018		February 28, 2017
Deferred Tax Assets				
Non-capital losses carried forward	**$**	**4,260**	**$**	**17,200**
Deferred Tax Liabilities				
Convertible debenture		(4,260)		(17,200)
Net deferred income tax assets (liabilities)		-		-

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

Unrecognized deferred tax assets

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

		February 28, 2018		February 28, 2017
Share issuance costs	$	169,100	$	272,020
Non-capital losses carried forward - Canada		7,524,770		6,226,400
Non-capital losses carried forward - Congo		1,438,020		690,590
Other temporary differences		12,970		124,980
		$9,144,860	$	7,313,990

Congolese losses may be carried forward for an unlimited period, but may offset a maximum of 70% of the profit before tax in any year. Share issue costs will be fully amortized in 2021. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

(expressed in Canadian dollars)

19. INCOME TAXES (continued)

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

Non-capital losses expiry	Canada
2030	-
2031	74,680
2032	1,124,430
2033	652,640
2034	738,810
2035	1,351,590
2036	1,034,890
2037	1,074,170
2038	1,473,560
	7,524,770

20. SUBSEQUENT EVENTS

Subsequent to the year end, 2,656,000 warrants were exercised for proceeds of $390,240.

On May 24, 2018, the Company repaid USD$170,000 to settle the principal balance of the debenture issued August 22, 2017.

On March 1, 2018 the Company granted 10,800,000 options to purchase common shares of the Corporation to the current Directors, Officers and Consultants of the Corporation, all exercisable at a price of $0.17 for a period of 5 years.