TANTALEX RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Three months ended May 31, 2018 and May 31, 2017
(Expressed in Canadian dollars)

Tantalex Resources Corporation

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 May 31, 2018	As at February 28, 2018
ASSETS		
CURRENT ASSETS		
Cash	$1,489,380	$2,650,348
Prepaid expenses and deposits (Note 7)	224,711	168,153
Sales tax receivable	211,905	177,209
	1,925,996	2,995,710
Equipment (Note 8)	349,626	256,739
Deposits (note 7)	712,140	704,490
Exploration and Evaluation Assets (Note 6)	1,715,248	931,791
TOTAL ASSETS	$4,703,010	$4,888,730
LIABILITIES		
CURRENT LIABILITIES		
Trade payables and accrued liabilities (note 10)	$1,101,742	$899,922
Loan (Note 9)	30,098	258,739
Due to related companies (Note 10)	65,896	65,896
Due to directors (Note 10)	292,435	289,487
Convertible debentures (Note 11)	-	402,952
	1,490,171	1,916,996
TOTAL LIABILITIES	$1,490,171	$1,916,996
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 12)	10,180,788	9,105,428
Contributed surplus	3,557,255	1,331,268
Warrants (Note 12)	2,613,050	3,129,437
Equity component of convertible debentures (Note 11)	-	17,739
Deficit	(12,892,706)	(10,390,766)
Accumulated other comprehensive income	22,709	510
TOTAL DEFICIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	3,481,096	3,193,616
Non-controlling interests	(268,257)	(221,882)
TOTAL DEFICIT	3,212,839	2,971,734
TOTAL LIABILITIES AND DEFICIT	$ 4,703,010	$ 4,888,730

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 19)

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended May 31, 2018 and May 31, 2017 (unaudited)

(expressed in Canadian dollars)

	2018	2017
EXPENSES		
General and administrative (Note 18)	$ 731,373	$ 603,080
Share-based payments (Note 12)	1,839,600	-
LOSS BEFORE OTHER ITEMS	(2,570,973)	(603,080)
Gain on settlement of debt (Note 12)	22,659	(166,364)
NET LOSS FOR THE PERIOD	$(2,548,315)	$ (769,444)
NET LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$(2,501,940)	$ (749,763)
Non-controlling interests	(46,375)	(19,681)
	$(2,548,315)	$(769,444)
BASIC AND DILUTED LOSS PER SHARE (Note 13)	$ (0.01)	$ (0.01)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the three months ended May 31, 2018 and May 31, 2017 (unaudited)

(expressed in Canadian dollars)

	2018	2017
NET LOSS FOR THE PERIOD	$(2,548,315)	$(769,444)
Item of other comprehensive income to be subsequently reclassified to net loss		
Foreign currency translation	22,199	(9,779)
COMPREHENSIVE LOSS	(2,526,116)	$(779,223)
NET COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$(2,479,741)	$(759,542)
Non-controlling interests	(49,375)	(19,681)
	$(2,526,116)	$(779,223)

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended May 31, 2018 and May 31, 2017

(expressed in Canadian dollars)

	Number of issued and outstanding common shares	Share Capital	Equity component of convertible debenture	Warrants	Contributed Surplus	Accumulated other comprehensive income	Deficit	Non-controlling interest	Total Equity
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	3,890,000	376,791	-	(162,841)	-	-	-	-	213,950
Expiry of warrants	-	-	-	(12,490)	12,490	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(749,763)	(19,681)	(769,444)
Exchange differences on translating foreign operations	-	-	-	-	-	(9,779)	-	-	(9,779)
Balance as at May 31, 2017	113,461,206	$ 5,862,782	$ 46,972	$ 979,241	$ 1,125,886	$ (19,689)	$ (8,750,970)	$ (92,076)	$ (847,854)
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
Shares issued on conversion of debt	7,500,000	420,000	(17,739)	-	-	-	-	-	402,261
Shares issued on exercise of warrants	3,506,800	655,360	-	(130,000)	-	-	-	-	525,360
Share based payments	-	-	-	-	1,839,600	-	-	-	1,839,600
Expiry of warrants	-	-	-	(386,387)	386,387	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(2,501,940)	(46,375)	(2,548,315)
Exchange differences on translating foreign operations	-	-	-	-	-	22,199	-	-	22,199
Balance as at May 31, 2018	195,216,886	$ 10,180,788	$ -	$ 2,613,050	$ 3,557,255	$ 22,709	$ (12,892,706)	$ (268,257)	$ 3,212,839

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended May 31, 2018 and May 31, 2017 (Unaudited)

(expressed in Canadian dollars)

	2018	2017
OPERATING ACTIVITIES		
Net loss before income taxes	$(2,548,315)	$ (769,444)
Operating items not involving cash		
Accrued interest and accretion	1,800	12,036
Amortization of equipment	26,609	4,146
Loss on fair value adjustment of shares owing	-	45,725
Gain on settlement of debt	-	166,364
Share based payments	1,839,600	-
Shares issued for services	-	25,000
Unrealized foreign exchange gain	18,881	(9,755)
Changes in working capital items		
Prepaid expenses and deposits	(56,558)	5,165
Sales tax and other receivable	(36,496)	(25,267)
Trade payables and accrued liabilities	(139,321)	88,737
Due to directors	2,948	16,013
Due to related companies	-	(3,200)
Cash flows from operating activities	(890,852)	(490,205)
INVESTING ACTIVITIES		
Additions to equipment	(116,742)	-
Additions to exploration and evaluation assets	(459,757)	(157,172)
Cash flows used in investing activities	(576,499)	(157,172)
FINANCING ACTIVITIES		
Repayments of loans outstanding	(218,977)	-
Proceeds from the exercise of warrants	525,360	213,948
Proceeds from issuance of debentures	-	300,000
Cash flows from financing activities	306,383	513,948
NET DECREASE IN CASH	(1,160,968)	(133,429)
CASH, BEGINNING OF PERIOD	2,650,348	533,261
CASH, END OF PERIOD	$1,489,380	$399,832

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 July 30, 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 three months ended May 31, 2018 the Company reported a net loss of $2,548,315 (three months ended May 31, 2017 - $769,444) and has an accumulated deficit of $12,892,706 (February 28, 2018 - $10,390,766). In addition to ongoing working capital requirements, the Company must secure sufficient funding to further develop the Company’s properties and pay for general and administration expenses. At May 31, 2018, the Company had a working capital of $435,825 (February 28, 2018 –$1,078,714). 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, 2018.

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

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, 2018 and 2017 ("2018 Audited Consolidated Financial Statements") (with the exception of any changes set out below) and accordingly, should be read in conjunction with the 2018 Audited Consolidated Financial Statements and the notes thereto.

Recent accounting pronouncements
The IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued several new and revised standards and interpretations which are not yet effective for the year ended February 28, 2019 and have not been applied in preparing these Condensed Consolidated Interim Financial Statements unless stated otherwise. However, the revised standards and interpretations are either not applicable to the Company or are expected to have minimal 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.

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

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.

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.

(expressed in Canadian dollars)

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 COMINIÈRE. The Company owns 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.

The following expenses related to the mining/exploration permits for the three months ended May 31, 2018 and the year ended February 28, 2018:

Balance, February 28, 2017	$ 44,749
Acquisition costs	293,566
Project expenses	594,759
Foreign currency adjustment	(1,283)
Balance, February 28, 2018	931,791
Project expenses	783,457
Balance, May 31, 2018	$ 1,715,248

7. PREPAID EXPENSES AND DEPOSITS

	As at May 31, 2018	As at February 28,2018
Long Term:		
Deposit on property acquisition	$ 712,140	$ 704,490
Short Term		
Deposit on drill program	$ -	$ 64,050
Deposit on equipment	158,071	-
Prepaid consulting contract	62,209	99,534
Other	4,431	4,569
	$ 224,711	$ 168,153

(expressed in Canadian dollars)

8. EQUIPMENT

	Office equipment	Office furniture	Equipment	Vehicle	Total
Cost					
February 28, 2017	$ 5,000	$ 5,414	$ -	$ 56,598	$ 67,012
Additions	-	-	21,901	195,358	217,259
Foreign currency adjustment	-	(156)	-	(1,622)	(1,778)
Dispositions	-	-	-	-	-
February 28, 2018	5,000	5,258	21,901	250,334	282,493
Additions	5,287	-	49,008	62,447	116,742
Foreign currency adjustment	-	57	237	2,717	3,011
May 31, 2018	**$ 10,287**	**$ 5,315**	**$ 71,147**	**$ 315,497**	**$ 402,246**
Accumulated Depreciation					
February 28, 2017	$ 750	$ 541	$ -	$ 8,489	$ 9,780
Depreciation	1,275	947	-	14,019	16,241
Foreign currency adjustment	-	(15)	-	(250)	(265)
February 28, 2018	2,025	1,473	-	22,258	25,756
Depreciation	487	191	3,956	21,974	26,608
Foreign currency adjustment	-	15	-	231	246
May 31, 2018	**$ 2,512**	**$ 1,680**	**$ 3,956**	**$ 44,471**	**$ 52,620**
Carrying amounts					
February 28, 2018	2,975	3,785	21,902	228,077	$ 256,739
May 31, 2018	**$ 7,774**	**$ 3,637**	**$ 67,190**	**$ 271,026**	**$ 349,626**

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 at May 31, 2018 (February 28, 2018 - $30,098).

(expressed in Canadian dollars)

9. LOAN (continued)

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.

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 for the three months ended May 31, 2018 and May 31, 2017:

	2018	2017
Management and consulting fees	**$ 69,000**	$ 69,000
Share-based payments (note 12)	**1,192,800**	-
	$ 1,261,800	$ 69,000

During the three months ended May 31, 2018, $18,000 of fees were charged by CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company. As at May 31, 2018, $163,300 of the fees are outstanding (February 28, 2018 - $145,300) and are included in trade payables and accrued liabilities on the statement of financial position.

As at May 31, 2018, $47,894 (February 28, 2018- $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 May 31, 2018, $18,002 (February 28, 2018- $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 May 31, 2018, $96,678 (February 28, 2018 – $84,330) 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 May 31, 2018, $195,757 (February 28, 2018 – $205,157) 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 $64,323 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 May 31, 2018, $14,746 (February 28, 2018 - $72,810) 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

	May 31, 2018	February, 28, 2018
	$	$
Convertible debenture liability component:		
Balance, at beginning of the period	**402,952**	423,023
Convertible debenture issued	**-**	300,000
Less equity component of debentures issued	**-**	(15,912)
Gain on settlement of debt	**-**	(8,905)
Converted to equity	**(398,052)**	(373,047)
Repayments	**(4,900)**	(20,000)
Accretion and interest	**-**	97,793
Balance, at the end of the period (short-term)	**-**	**402,952**
Balance, at the end of the period (long-term)	**-**	**-**
Balance of the equity component at the end of the period	**-**	**17,739**

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 three months ended May 31, 2018, the Company repaid $4,900 (year ended February 28, 2018 - $20,000) of this debenture in cash. During the three months ended May 31, 2018, the holder of the debenture converted $90,000 of the debenture in to 900,000 common shares (year ended February 28, 2018 - $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. On May 16, 2018, the holder of the debenture converted $330,000 (being principal and interest) into 6,600,000 common shares.

(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 28, 2017	**104,455,996**	**$ 5,025,622**
Shares issued on exercise of warrants (i)	11,620,000	755,000
Valuation of warrants exercised (i)	-	396,944
Shares issued on private placement (ii)	57,984,440	4,980,000
Valuation of warrants issued on private placement (ii)	-	(2,471,750)
Share issue expenses (ii)	-	(229,018)
Shares issued for services (iii)	2,000,000	140,000
Shares issued on conversion of debt (iv)	7,198,020	413,467
Shares issued on settlement of debt (v)	951,630	95,163
Total shares issued and fully paid at February 28, 2018	**184,210,086**	**$ 9,105,428**
Shares issued on exercise of warrants (vi)	3,506,800	525,360
Valuation of warrants exercised (vi)	-	130,000
Shares issued on settlement of debt (vii)	7,500,000	420,000
Total shares issued and fully paid at May 31, 2018	**195,216,886**	**$ 10,180,788**

(i) 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.

(ii) 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.

(expressed in Canadian dollars)

12. EQUITY (continued)

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.

(iii) 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 (note 10).

(iv) 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).

(v) 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.

(vi) During the three months ended May 31, 2018, the Company issued 3,506,000 common shares as a result of the exercise of 3,506,000 warrants. The cash proceeds from the warrant exercises of $525,360 and the grant date fair value of $130,000 were transferred to common shares upon exercise.

(vii) See note 10 for shares issued on conversion of debentures.

Warrants
The following summarizes the activity during the three months ended May 31, 2018 and the year ended February 28, 2018:

	Number of warrants	Amount
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
Expired	(10,445,200)	(386,387)
Exercised	(3,506,800)	(130,000)
Balance at May 31, 2018	52,532,000	$ 2,613,050

(expressed in Canadian dollars)

12. EQUITY (continued)

Summary of warrants outstanding as at May 31, 2018:

Grant Date	Expiry date	Remaining life	Weighted ave expiry date	# of Warrants	Weighted ave exercise price	Exercise price
08/22/2016	02/22/2019	0.73	0.03	2,500,000	0.00	0.15
11/22/2018	11/22/2020	2.48	0.01	154,000	0.00	0.055
11/30/2017	11/30/2020	2.51	0.00	100,000	0.00	012
12/20/2017	12/20/2020	2.56	0.61	12,478,000	0.03	0.12
01/09/2018	01/09/2021	2.62	0.61	12,300,000	0.03	0.12
02/09/2018	02/09/2021	2.70	1.28	25,000,000	0.06	0.12
			2.55	52,532,000	0.12	

The weighted average expiry date is 2.55 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.

On March 1, 2018, the Company granted 10,950,000 options to purchase common shares of the Company to Directors, Officers and consultants of the Company, all exercisable at a price of $0.17 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 $1,839,600 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.99%; expected volatility of 225%; expected dividend yield of 0% and an expected five years. Expected volatility was based on the historical volatility of other comparable listed companies.

The following summarizes the activity during the three months ended May 31, 2018 and the year ended February 28, 2018:

	Number of options	Exercise price
Balance at February 28, 2017 and February 28, 2018	4,250,000	$ 0.12
Issued	10,950,000	$ 0.17
Balance at May 31, 2018	**15,200,000**	**$ 0.156**

The following options are outstanding as at May 31, 2018:

Grant Date	Expiry date	# of Options	Exercise price
7-Sept-16	31-Aug-21	4,250,000	0.12
1-March-18	28-Feb-23	10,950,000	0.17

The weighted average expiry date is 4.3 years
The weighted average exercise price is $0.156

(expressed in Canadian dollars)

13. LOSS PER SHARE

The weighted average number of common shares outstanding used for the calculation for 2018 was 188,112,548 (2017 - 111,550,549).

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:

Three months ended May 31,	**2018**	2017
Shares issued on conversion and settlement of debt	**$420,000**	$ 460,369

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.

16. CAPITAL MANAGEMENT POLICIES AND PROCEDURES (continued)

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financing liabilities. The Company manages the capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. There were no changes in the Company's approach to capital management during the three months ended May 31, 2018. The Company is not subject to any externally imposed capital requirements as at May 31, 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 period.

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 May 31, 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.

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 May 31, 2018, the Company has assets of $2,684,008 (February 28, 2018 - $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 May 31, 2018 would be $236,000 (February 28, 2018 - $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.

(expressed in Canadian dollars)

17. FINANCIAL INSTRUMENT RISKS (continued)

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 three months ended May 31, 2018 and May 31, 2017:

		2018		2017
Transfer agent and shareholder registration		**5,219**		778
Legal and audit		**64,323**		113,635
Conference		**8,951**		**-**
Consulting fees		**156,095**		172,317
Financial costs		**1,800**		14,550
Management fees		**69,000**		69,000
Corporate and general		**145,231**		108,116
Travel and cost to work abroad		**236,353**		120,538
Amortization of equipment		**26,401**		4,146
	$	**731,373**	**$**	**603,080**

19. SUBSEQUENT EVENTS

The Company entered into agreements pursuant to which it settled debt in the amount of $755,514 of debt through the issuance of 5,036,764 units based on an agreed issue price of $0.15 per unit (the “Units”), each Unit being comprised of one common share in the share capital of Tantalex and one common share purchase warrant exercisable at a price of $0.18 for a period of 36 months from the date of issuance.

The Company entered into an assignment agreement (the “Agreement”) to acquire Mines d’Or Resources (“Minor”) 65% participation in a joint venture entity to which will be transferred the PER 13698 (Permis Exploitation Rejets) (“PER 13698”). PER 13698 grants exclusive rights to mine the tailings of the historical Manono-Kitotolo mine for lithium, tin and tantalum. The new entity will be named Société des Tailings de Manono (“STM”) and will be owned 65% by the Company, 30% by La Congolaise D’Exploitation Minière (“La Cominière”) and 5% by Minor. The closing of the contemplated transaction by is subject to various conditions and payments, namely, but not limited to, the successful transfer and registration of the PER 13698 in the name of the newly created entity STM with the Democratic Republic of Congo Mining Cadastre (“CAMI”).