TANTALEX RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Three months ended May 31, 2019 and May 31, 2018

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(expressed in Canadian dollars)

	As at May 31, 2019	As at February 28, 2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 210,072	$ 110,762
Prepaid expenses and deposits (Note 7)	174,909	165,410
Sales tax receivable	237,205	259,138
	622,186	535,310
Equipment (Note 8)	309,675	325,878
Exploration and Evaluation Assets (Note 6)	6,889,432	6,464,495
TOTAL ASSETS	$7,821,293	$7,325,683
LIABILITIES		
CURRENT LIABILITIES		
Trade payables and accrued liabilities (note 10)	$1,044,721	$1,067,892
Loan (Note 9)	697,076	-
Due to directors (Note 10)	235,525	222,219
Derivative liability (note 11)	1,762,036	3,362,705
Convertible debentures (Note 11)	3,060,039	1,691,499
	6,799,397	6,344,315
TOTAL LIABILITIES	$6,799,397	$6,344,315
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 12)	10,631,246	10,631,246
Contributed surplus	3,641,957	3,641,957
Warrants (Note 12)	2,888,600	2,888,600
Deficit	(15,889,243)	(15,808,461)
Accumulated other comprehensive income	216,739	83,776
TOTAL DEFICIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	1,489,299	1,437,118
Non-controlling interests	(467,403)	(455,750)
TOTAL DEFICIT	1,021,896	981,368
TOTAL LIABILITIES AND DEFICIT	$ 7,821,293	$ 7,325,683

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 20)

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

Tantalex Resources Corporation

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

For the three months ended May 31, 2019 and May 31, 2018

(expressed in Canadian dollars)

	2019	2018
EXPENSES		
General and administrative (Note 18)	$ 324,564	$ 731,373
Stock based compensation (Note 12)	-	1,839,600
LOSS BEFORE OTHER ITEMS	(324,564)	(2,570,973)
Gain on settlement of debt (Note 9 &12)	-	22,659
Change in fair value of derivative liability (Note 11)	1,600,669	-
Interest and accretion (Note 11)	(1,368,540)	-
NET LOSS FOR THE PERIOD	$ (92,435)	$ (2,548,314)
NET LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$ (80,782)	$(2,389,559)
Non-controlling interests	(11,653)	(46,375)
	$ (92,435)	$(2,435,934)
BASIC AND DILUTED LOSS PER SHARE (Note 13)	$ (0.00)	$ (0.01)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the years ended February 28, 2019 and February 29, 2018

(expressed in Canadian dollars)

	2019	2018
NET LOSS FOR THE PERIOD	$ (92,435)	$(2,548,314)
Item of other comprehensive income		
to be subsequently reclassified to net loss		
Foreign currency translation	132,963	22,199
COMPREHENSIVE LOSS	$ 40,528	(2,526,115)
NET COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	$ 52,181	$(2,479,741)
Non-controlling interests	(11,653)	(49,375)
	$ 40,528	$(2,529,116)

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended May 31, 2019 and May 31, 2018

(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, 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	-	-	-	-	1,839,000	-	-	-	1,839,000
Expiry of warrants	-	-	-	(386,387)	386,387	-	-	-	-
Net loss for the year	-	-	-	-	-	-	(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	$ 3,556,655	$ 22,709	$ (12,892,706)	$ (268,257)	$ 3,212,239
Balance as at February 28, 2019	194,882,623	$ 10,631,246	$ -	$ 2,888,600	$ 3,641,957	$ 83,776	$ (15,808,461)	$ (455,750)	$ 981,368
Net loss for the period	-	-	-	-	-	-	(80,782)	(11,653)	(92,435)
Exchange differences on translating foreign operations	-	-	-	-	-	132,963	-	-	132,963
Balance as at May 31, 2019	194,882,623	$ 10,631,246	$ -	$ 2,888,600	$ 3,641,957	$ 216,739	$ (15,889,243)	$ (467,403)	$ 1,021,896

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

Tantalex Resources Corporation

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the three months ended May 31, 2019 and May 31, 2018

	2019	2018
OPERATING ACTIVITIES		
Net loss before income taxes	$ (92,435)	$ (2,548,314)
Operating items not involving cash		
Accrued interest and accretion	1,368,540	1,800
Depreciation of equipment	16,203	26,609
Change in fair value of derivative liability	(1,600,669)	-
Stock based compensation	-	1,839,600
Unrealized foreign exchange gain	(31,540)	18,881
Changes in working capital items		
Prepaid expenses and deposits	(9,499)	(56,558)
Sales tax and other receivable	21,933	(36,496)
Trade payables and accrued liabilities	(23,171)	(139,321)
Due to directors	13,306	2,948
Cash flows from operating activities	(337,332)	(890,851)
INVESTING ACTIVITIES		
Additions to equipment	-	(116,742)
Additions to exploration and evaluation assets	(260,434)	(459,757)
Cash flows used in investing activities	(260,434)	(576,499)
FINANCING ACTIVITIES		
Proceeds from loans	697,076	-
Repayments of loans outstanding	-	(218,977)
Proceeds from the exercise of warrants	-	525,360
Cash flows from financing activities	697,076	306,383
NET DECREASE IN CASH	99,310	(1,160,967)
CASH, BEGINNING OF PERIOD	110,762	2,650,348
CASH, END OF PERIOD	$ 210,072	$ 1,489,381

Note 14 provides additional information on the consolidated statements of cash flows.

The accompanying notes form an integral part of these condensed interim 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 1055 West Georgia Street, Suite 1500, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7.

The Board of Directors approved and authorized for issue these condensed interim consolidated financial statements on July 29, 2019.

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 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, 2019 the Company reported a net loss of $92,435 (three months ended May 31, 2018 - $2,548,314) and has an accumulated deficit of $15,889,243 (February 28, 2019 - $15,808,461). 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, 2019, the Company had a working capital deficit of $6,177,211 (February 28, 2019 – working capital of $5,809,005). These conditions indicate the existence of a material uncertainty that casts 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, 2019.

3. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

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 ("UC"), Buckell SAS, Tantalex Namibia (PTY) Ltd. Societe De Tailings De Manono ("STM") and Sadem Congo S.A.R.L ("Sadem"). 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, and United Cominiere which is 70% owned, Buckell SAS 90% owned and STM 65% owned by Buckell SAS. 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 with the exception of STM which has a reporting date of December 31.

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, 2019 and 2018 ("2019 Audited Consolidated Financial Statements") (with the exception of any changes set out below) and accordingly, should be read in conjunction with the 2019 Audited Consolidated Financial Statements and the notes thereto.

Recent accounting pronouncements
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 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 became effective for annual periods beginning on or after January 1, 2019. The adoption on this standard did not have a 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.

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 recovered 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. Estimates are made as to the volatility of its own share price, 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, meet 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
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 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, 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. Included in the permits is payment for mining claim PR 13634, KASEKA Cobalt Property.

On August 23, 2018 the Company, through Buckell SAS, entered into an agreement to acquire a 65% control (at a cost of USD$3,000,000) of Société des Tailings de Manono ("STM"), which owns the PER 13698 (Permis Exploitation Rejets) ("PER 13698"). PER 13698 grants the exclusive rights to mine the tailings of the historical Manono-Kitotolo mine of lithium, tin and tantalum.

The following expenses related to the mining/exploration permits for the three months ended May 31, 2019 and the year ended February 28, 2019:

	May 31, 2019	February 28, 2019
Beginning balance	$ 6,464,496	$ 931,791
Acquisition costs	-	4,178,635
Project expenses	260,434	1,333,489
Foreign currency adjustment	164,502	20,580
Closing balance	$ 6,889,432	$ 6,464,495

7. PREPAID EXPENSES AND DEPOSITS

	May 31, 2019	February 28, 2019
Deposit on equipment	$ 159,957	$ 155,723
Other	14,952	9,687
	$ 174,909	$ 165,410

(expressed in Canadian dollars)

8. EQUIPMENT

	Storage containers	Office furniture and equipment	Computer equipment	Field equipment	Vehicle	Total
Cost						
February 28, 2018	$ 21,901	$ 5,258	$ 5,000	$ -	$ 250,334	$ 282,493
Additions	33,613	5,377.00	-	77,007	74,061	190,058
Foreign currency adjustment	615	148	-	-	7,036	7,799
Dispositions	-	-	-	-	-	-
February 28, 2019	56,129	10,783	5,000	77,007	331,431	480,350
Additions	-	-	-	-	-	-
Foreign currency adjustment	1,526	293	-	2,093	9,009	12,921
May 31, 2019	**$ 57,655**	**$ 11,076**	**$ 5,000**	**$ 79,100**	**$ 340,440**	**$ 493,271**
Accumulated Depreciation						
February 28, 2018	$ -	$ 1,473	$ 2,025	$ -	$ 22,258	$ 25,756
Depreciation	11,226	1,854	893	23,102	90,968	128,043
Foreign currency adjustment	-	40	-	-	633	673
February 28, 2019	11,226	3,367	2,918	23,102	113,859	154,472
Depreciation	2,306	381	-	5,557	16,749	24,994
Foreign currency adjustment	305	92	-	629	3,104	4,130
May 31, 2019	**$ 13,837**	**$ 3,840**	**$ 2,918**	**$ 29,288**	**$ 133,712**	**$ 183,596**
Carrying amounts						
February 28, 2019	44,903	7,416	2,082	53,905	217,572	$ 325,878
May 31, 2019	**$ 43,818**	**$ 7,236**	**$ 2,083**	**$ 49,812**	**$ 206,728**	**$ 309,675**

9. LOAN

On April 24, 2019, the Company entered into loan agreements totaling USD$500,000. The loans are non-interest bearing and mature one year from the date of issuance.

(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 for the three months ended May 31, 2019 and May 31, 2018:

	2019	2018
Management and consulting fees	$ 69,000	$ 69,000
Share-based payments	-	1,192,800
	$ 69,000	$ 1,261,800

During the three months ended May 31, 2019, $18,000 (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, 2019, $75,300 of the fees are outstanding (February 28, 2019 - $57,300) and are included in trade payables and accrued liabilities on the statement of financial position. On July 11, 2018, the Company settled $150,000 of amounts owing through the issuance of 1,000,000 units. Each unit was issued at $0.13 per unit and comprised of one common share and one common share purchase warrant exercisable at $0.18 for a period of 36 months following the date of issuance. The Company recorded a gain on settlement of $18,000.

On July 11, 2018, the Company settled $47,894 through the issuance of 319,293 units, with 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. Each unit was issued at $0.13 per unit and comprised of one common share and one common share purchase warrant exercisable at $0.18 for a period of 36 months following the date of issuance. The Company recorded a gain on settlement of $5,747.

On July 11, 2018, the Company settled $20,000 through the issuance of 133,333 units with Charbone Buckell, a related company by virtue of Dave Gagnon, the CEO and a director of the Company, being a common director.. Each unit was issued at $0.13 per unit and comprised of one common share and one common share purchase warrant exercisable at $0.18 for a period of 36 months following the date of issuance. The Company recorded a gain on settlement of $2,400. During the year, the Company acquired a 90% interest in Buckell SAS. 80% was acquired from Charbone Buckell at a cost of USD$1,600.

As at May 31, 2019, $15,766 (February 28, 2019 – $16,463) 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. On July 11, 2018, the Company settled $150,000 through the issuance of 1,000,000 units. Each unit was issued at $0.13 per unit and comprised of one common share and one common share purchase warrant exercisable at $0.18 for a period of 36 months following the date of issuance. The Company recorded a gain on settlement of $18,000.

As at May 31, 2019, $222,757 (February 28, 2019 – $205,756) 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. On July 11, 2018, the Company settled $50,000 through the issuance of 333,333 units. Each unit was issued at $0.13 per unit and comprised of one common share and one common share purchase warrant exercisable at $0.18 for a period of 36 months following the date of issuance. The Company recorded a gain on settlement of $6,000.

During the three months ended May 31, 2019, the Company was charged $23,568 (three months ended May 31, 2018 - $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, 2019, $13,850 (February 28, 2019 - $64,000) was payable to Dunton Rainville and are included in trade payables and accrued liabilities on the statement of financial position.

10. RELATED PARTY TRANSACTIONS (continued)

During the year ended February 28, 2019, $90,000 of debt was settled to a director through the issuance of 600,000 units. Each unit was issued at $0.13 per unit and comprised of one common share and one common share purchase warrant exercisable at $0.18 for a period of 36 months following the date of issuance. The Company recorded a gain on settlement of $10,800.

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

11. CONVERTIBLE DEBENTURES

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 shares 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. During the year ended February 28, 2019; the Company repaid $4,900 (year ended February 28, 2018 - $20,000) of this debenture in cash. During the year ended February 28, 2019, 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) (note 12), and recognized a $10,278 loss on the settlement of debt.

On May 16, 2017. the Company completed a non-brokered private placement financing raising gross proceeds of $300,000 through the issuance of a convertible debenture in the amount of $300,000 bearing interest of 10% per annum and having an expiry date that is three months following its issuance. The 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 (note 12) and recognized a gain on settlement of debt of $13,785.

In July, 2018, the Company completed a non-brokered private placement financing raising gross proceeds of $3,188,250 (USD$2,450,000, the "First Tranche")), completed a further $1,153,720 in November 2018 ($1,025,000, the "Second Tranche") and USD$100,000, the "Third Tranche")), through the issuance of convertible debentures (the "Debentures") in the amount of $4,341,970 bearing interest of 12% per annum and having an expiry date that is one year following their issuance. Each Debenture is convertible at the option of the holder into Common Shares of the Issuer at any time starting after the closing date and prior to the close of business on the last business day prior to the Maturity Date at the Conversion Price (based on a price equal to the current trading price of the Common Shares on the Canadian Securities Exchange on the maturity date or at 25% discount to such price if converted early). The principal amount of the Debentures is subject to a warrant coverage of up to 50% of the principal amount (1,787,500 warrants) to which the holder of the Debenture is entitled to receive up to 50% of the principal amount of the Debenture issued in warrants in the share capital of the Company (the "Warrants"), each Warrant entitling its holder to acquire one Common Share in the share capital of the Company at a price of $0.13 per Common Share for a period of 12 months from the date of issuance. The Company paid $349,280 in cash issue costs, and issued 30,000 broker warrants, entitling the holder to acquire one Common Share in the share capital of the Company at a price of $0.14 per Common Share for a period of 24 months from the date of issuance. These warrants were assigned a value of $1,890 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 2.00%; expected volatility of 175%; expected dividend yield of 0% and an expected life of one year.

The total issue costs of $351,170, were allocated between the Debentures ($43,433) and the derivative liability on a pro-rata basis, with the portion allocated to the derivative liability being expensed ($307,737).

(expressed in Canadian dollars)

11. CONVERTIBLE DEBENTURES (continued)

The conversion feature of the Debentures meets the definition of a derivative liability instrument because the conversion rate is variable and therefore does not meet the “fixed-for-fixed” criteria outlined under IFRS. As a result, the conversion feature of is required to be recorded as a derivative liability recorded at fair value and marked-to-market each period with the changes in fair value each period being charged or credited to income. During the three months ended May 31, 2019, the Company recorded a gain on the change in fair value of the derivative liability in the amount of $1,600,669 (three months ended May 31, 2018 – n/a).

The Debentures were separated into a convertible debt component and a derivative liability. The derivative liability was valued first and the residual of the proceeds was allocated to the debt. The convertible debt is classified as measured at amortized cost using the effective interest method. The effective interest rate of the Debentures was approximately between 183-278% (for the three tranches). The warrants issued were considered equity and have been assigned a nil value using the residual method after valuing the debt and derivative components.

The following table discloses the components associated with convertible debenture:

	May 31, 2019	February, 28, 2019
	$	$
Convertible debenture liability component:		
Balance, at beginning of the year	1,691,499	402,952
Convertible debenture issued	-	4,303,772
Derivative liability	-	(3,792,641)
Gain on settlement of debt	-	(3,057)
Converted to equity	-	(420,000)
Repayments	-	(4,900)
Foreign exchange adjustments	-	20,578
Accretion and interest	1,368,540	1,184,795
Balance, at the end of the period	3,060,039	1,691,499

The following table discloses the components associated with the derivative liability:

	May 31, 2019	February, 28, 2019
	$	$
Opening balance	3,362,705	3,792,641
Change in fair value of derivative liability	(1,600,669)	(462,253)
Foreign exchange adjustment	-	32,317
Balance end of period	1,762,036	3,362,705

(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, 2018	**184,210,086**	**$ 9,105,428**
Shares issued on exercise of warrants (i)	5,156,800	547,860
Valuation of warrants exercised (i)	-	135,549
Shares returned to treasury (ii)	(8,184,440)	-
Shares issued on conversion of convertible debt (iii)	7,500,000	442,004
Shares issued on settlement of debt (iv)	5,284,177	354,605
Shares issued for services (v)	916,000	45,800
Total shares issued and fully paid at February 28, 2019 and May 31, 2019	**194,882,623**	**$ 10,631,246**

(i) During the year ended February 28, 2019, the Company issued 5,156,800 common shares as a result of the exercise of 5,156,800 warrants. The cash proceeds from the warrant exercises of $547,860 and the grant date fair value of $135,549 were transferred to common shares upon exercise. The Company issued 1,500,000 shares on the exercise of warrants in error, and the Company is in the process of cancelling these shares.

(ii) During the year ended February 28, 2018, the Company issued 8,184,440 commons shares in error as no consideration was received. These shares were included in the consolidated financial statements as at February 28, 2018 and the Company cancelled the shares during the year ended February 28, 2019. Upon cancellation of the shares in July 2018, the Company reduced the number of shares outstanding in the Company as disclosed in these consolidated financial statements.

(iii) See note 11 for shares issued on conversion of debentures.

(iv) In July 2018, the Company issued 5,284,177 units to settle debt in the amount of $778,876. Each unit was issued at $0.15 per unit and comprised of one common share and one common share purchase warrant exercisable at $0.18 for a period of 36 months following the date of issuance. The fair value of the shares at the date of issuance was $354,605. The warrants were assigned a value of $363,912 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.79%; expected volatility of 255%; expected dividend yield of 0% and an expected three years. The Company recognized a gain on $70,905 on the settlement of the debt.

(v) During the year the Company issued 916,000 with a value of $45,800 for services rendered to a non-related party.

(expressed in Canadian dollars)

12. EQUITY (continued)

Warrants
The following summarizes the activity during the three months ended May 31, 2019 and the year ended February 28, 2018:

	Number of warrants	Amount
Balance at February 28, 2018	66,484,000	$ 3,129,437
Expired	(12,795,200)	(471,090)
Issued	7,101,677	365,802
Exercised	(3,656,800)	(135,549)
Balance at February 28, 2019 and May 31, 2019	57,133,677	$ 2,888,600

Summary of warrants outstanding as at May 31, 2019:

Grant Date	Expiry date	Remaining life	Weighted ave expiry date	# of Warrants	Weighted ave exercise price	Exercise price
11/22/2017	11/22/2020	1.48	0.00	154,000	0.00	0.12
11/30/2017	11/30/2020	1.51	0.00	100,000	0.00	012
12/20/2017	12/20/2020	1.56	0.70	24,778,000	0.05	0.12
02/09/2018	02/09/2021	1.70	0.74	25,000,000	0.05	0.12
07/11/2018	07/11/2021	2.11	0.20	5,284,177	0.02	0.18
07/27/2018	07/27/2020	1.16	0.00	30,000	0.00	0.14
08/20/2018	08/20/2019	0.22	0.00	1,225,000	0.00	0.13
11/09/2018	11/09/2019	0.44	0.00	550,000	0.00	0.13
10/13/2018	10/13/2019	0.37	0.00	12,500	0.00	0.13
			1.64	57,133,677	0.13	

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

On March 1, 2018 the Company granted 10,950,000 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. The options were assigned a value of $1,839,600 using the black scholes model using the following assumptions: risk free interest rate 1.99%; expected volatility of 225%; expected dividend yield of 0% and an expected life of five years. The options vested immediately and $1,839,600 is included in the statement of loss during the year (2018 - $nil)

(expressed in Canadian dollars)

12. EQUITY (continued)

The following summarizes the activity during the three months ended May 31, 2019 and the year ended February 28, 2019:

	Number of options	Exercise price
Balance at February 28, 2018	4,250,000	$ 0.12
Issued	10,950,000	$ 0.17
Balance at February 28, 2019 and May 31, 2019	**15,200,000**	**$ 0.156**

The following options are outstanding and exercisable as at May 31, 2019:

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 3.33 years
The weighted average exercise price is $0.156

13. LOSS PER SHARE

The weighted average number of common shares outstanding used for the calculation for 2019 was 194,882,623 (2018 - 188,112,548).

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,	**2019**	2018
Shares issued on conversion and settlement of debt	**$ -**	$420,000

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 cash, due to related companies, trade payables and accrued liabilities, loan, due to directors, convertible debentures and the derivative liabilities.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying amount and fair value of financial instruments, with the exception of the convertible debentures, are considered to be a reasonable approximation of fair value because of their short-term maturities. The carrying values of the balance of the liability component of the convertible debentures are considered to be a reasonable approximation of fair value, since the discount rate used initial approximates the interest rate at year end for similar instruments. The fair value of the convertible debentures has been determined 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 three months ended May 31, 2019. The Company is not subject to any externally imposed capital requirements as at February 28, 2019. 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).

(expressed in Canadian dollars)

17. FINANCIAL INSTRUMENT RISKS (continued)

As at May 31, 2019, 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, 2019, the Company has assets of $5,264,033 (February 28, 2019 - $4,978,989) 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, 2019 would be $526,403 (February 28, 2019 - $444,414).

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 three months ended May 31, 2019 and May 31, 2018:

		2019		2018
Insurance	**$**	**8,485**	$	8,000
Transfer agent and shareholder registration		**4,397**		5,219
Legal and audit		**38,068**		64,323
Conference		**-**		8,951
Consulting fees		**41,692**		156,095
Management fees		**69,000**		69,000
Office and general		**57,257**		139,031
Travel and costs of working abroad		**80,671**		236,353
Depreciation of equipment		**24,994**		26,401
	$	**324,564**	**$**	731,373

(expressed in Canadian dollars)

19. SEGMENT INFORMATION

The Company's business consists of a single reportable segment being mineral exploration and development. Details on a geographic basis are as follows:

Total Assets	May 31, 2019	February 29, 2019
Canada	$ 722,038	$ 789,689
Democratic Republic of Congo	7,099,255	6,535,994
	$ 7,821,293	$ 7,325,683

Net Loss for the three months ended May 31,	2019	2018
Canada	$ (5,563)	$ (2,351,339)
Democratic Republic of Congo	(86,872)	(196,975)
	$ (92,435)	$ (2,548,314)

20. SUBSEQUENT EVENTS

Subsequent to year end the company entered into a loan agreement for USD$250,000. The loan is non-interest bearing and matures one year from the date of issuance.