Tantalex Lithium Resources Corporation

Consolidated Financial Statements

Years ended February 29, 2024 and February 28, 2023

(Expressed in Canadian dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Tantalex Lithium Resources Corporation

Opinion

We have audited the consolidated financial statements of Tantalex Lithium Resources Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at February 29, 2024 and February 28, 2023, and the consolidated statements of loss, consolidated statements of comprehensive loss, consolidated statements of changes in deficiency and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at February 29, 2024 and February 28, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended February 29, 2024 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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Key audit matter	How our audit addressed the key audit matter
Accounting and measurement of the convertible loan facility	
On November 13, 2023, the Company entered into a Convertible Facilities Agreement with Glencore AG ("Glencore"), Glencore has agreed to make available to the Company (a) a convertible term loan facility in an amount up US $2,000,000 ("Facility A") and (b) a convertible term loan facility in an amount up to US $3,000,000 ("Facility B") (collectively, the "Facilities"). The Company agreed to pay Glencore a facility fee in the amount equal to 1.5% of the aggregate amount of the Facilities at the Closing Date. The Facilities are convertible at Glencore's option. At any time during the conversion period, Glencore has the option to subscribe for common shares in the capital of the Company at the relevant conversion price. The conversion price for the Facilities is equal to the higher of (a) the closing price of the Common Shares published by Bloomberg for the scheduled trading day immediately prior to the Closing Date and (b) the 20-day volume weighted average trading price of the Common Shares published by Bloomberg for the 20 scheduled trading days immediately after the Closing Date less a 25 per cent discount, in each case converted into US$ (the "Conversion Price"). In assessing the accounting for the convertible loan, management concluded that the conversion option was an embedded derivative. Management designated the entire hybrid contract as a financial liability instrument measured at fair value through profit or loss. On issuance, management determined that the fair value of the convertible loan resulted in a day-one loss, taking into consideration the net proceeds received by the Company.	Our audit procedures included, but were not limited to: - Review of the underlying loan agreement and assessment of management's accounting analysis associated with the convertible loan. - Assessment of the reasonableness of the fair value of the convertible loan by a professional with specialized skills and knowledge in the field of valuation as at each measurement date by developing independent point estimates and by comparing these independent point estimates to management's estimates. - Performance of sensitivity analyses on key assumptions used by management in their assessment of the valuation as at year end date. - Testing of the disclosures in the consolidated financial statements with regards to the convertible loan.

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Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher

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than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 29, 2024

Tantalex Lithium Resources Corporation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in Canadian dollars)

	As at February 29, 2024	As at February 28, 2023
ASSETS		
CURRENT ASSETS		
Cash	$ 846,141	$ 110,958
Prepaid expenses and deposits	170,427	127,056
Inventory (Note 6)	448,353	-
Sales tax receivable	108,828	98,645
	1,573,749	336,659
Loan receivable (Note 7)	-	489,105
Deposit on equipment	316,731	
Property, plant and equipment (Note 9)	16,972,902	8,200,350
Right of use asset (Note 10)	248,683	-
TOTAL ASSETS	$ 19,112,065	$ 9,026,114
LIABILITIES		
CURRENT LIABILITIES		
Trade payables and accrued liabilities (Note 13)	$ 5,971,989	$ 2,631,772
Lease liability – current (Note 11)	98,504	-
Customer deposit	108,561	-
Loans and advances payable (Note 12)	20,692,334	8,661,133
Derivative liability (Note 14)	170,820	613,069
Convertible debentures (Note 14)	2,253,686	6,695,654
	29,295,894	18,601,628
Lease liability (Note 11)	136,873	-
Asset retirement obligation (Note 15)	7,229,688	-
Loans payable (Note 12)	4,477,728	10,469,695
Convertible debentures (Note 14)	2,855,101	-
TOTAL LIABILITIES	$ 43,995,284	$ 29,071,323
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 16)	35,044,425	24,621,762
Contributed surplus	9,667,347	10,013,967
Warrants (Note 16)	780,779	-
Deficit	(68,974,515)	(53,351,902)
Accumulated other comprehensive income	102,968	220,687
TOTAL DEFICIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(23,378,996)	(18,495,486)
Non-controlling interests	(1,504,223)	(1,549,723)
TOTAL DEFICIENCY	(24,883,219)	(20,045,209)
TOTAL LIABILITIES AND DEFICIENCY	$ 19,112,065	$ 9,026,114

GOING CONCERN (Note 2)

CONTINGENCIES AND COMMITMENTS (Notes 8 and 23)

SUBSEQUENT EVENTS (Note 25)

Approved by the Board

“Eric Allard”	“Simon Collins”
Director	Director

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

Tantalex Lithium Resources Corporation

CONSOLIDATED STATEMENTS OF LOSS
For the years ended February 29, 2024 and February 28, 2023
(expressed in Canadian dollars)

	2024 $'s	2023 $'s
EXPENSES		
General and administrative (Note 21)	5,850,497	4,238,215
Exploration expenses (Note 8)	7,456,217	5,340,627
Stock based compensation (Note 16)	104,800	961,084
LOSS BEFORE OTHER ITEMS	(13,411,514)	(10,539,926)
Interest income	47,509	-
Change in fair value of derivative liability (Note 14)	1,520,110	4,582,220
Gain (loss) gain on foreign exchange	118,903	(1,024,430)
Interest and accretion	(3,383,389)	(1,574,186)
Gain on modification of debt	1,081,906	407,846
Loss on settlement of debt	(728,244)	-
Impairment of loan receivable	(532,697)	-
Change in fair value of convertible debenture	(289,697)	-
NET LOSS FOR THE YEAR	(15,577,113)	(8,148,476)
NET LOSS ATTRIBUTABLE TO:		
Equity holders of the Company	(15,622,613)	(8,267,989)
Non-controlling interests	45,500	119,513
	(15,577,113)	(8,148,476)
BASIC AND DILUTED LOSS PER SHARE (Note 17)	(0.03)	(0.02)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the years ended February 29, 2024 and February 28, 2023
(expressed in Canadian dollars)

	2024	2023
NET LOSS FOR THE YEAR	(15,577,113)	(8,148,476)
Item of other comprehensive income to be subsequently reclassified to net loss		
Foreign currency translation	(117,719)	133,791
COMPREHENSIVE LOSS	(15,694,832)	(8,014,685)
NET COMPREHENSIVE LOSS ATTRIBUTABLE		
Equity holders of the Company	(15,740,332)	(8,134,198)
Non-controlling interests	45,500	119,513
	(15,694,832)	(8,014,685)

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

Tantalex Lithium Resources Corporation

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY

(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, 2022	483,651,757	$ 22,051,582	$ 236,585	$ 166,883	$ 8,801,846	$ 86,896	$ (45,083,913)	$ (1,669,236)	$ (15,409,357)
Common shares issued on private placement	15,230,300	1,218,324	-	-	-	-	-	-	1,218,324
Share issue costs	-	(34,736)	-	-	-	-	-	-	(34,736)
Conversion of convertible debentures	9,959,640	497,982	-	-	-	-	-	-	497,982
Debt settlement	2,943,558	236,179	-	-	-	-	-	-	236,179
Exercise of RSUs	1,000,000	110,000	-	-	(110,000)	-	-	-	-
Maturity of debentures	-	-	(236,585)	-	236,585	-	-	-	-
Exercise of warrants	10,000,000	542,431	-	(42,431)	-	-	-	-	500,000
Expiry of warrants	-	-	-	(124,452)	124,452	-	-	-	-
Stock based compensation	-	-	-	-	961,084	-	-	-	961,084
Net loss for the year	-	-	-	-	-	-	(8,267,989)	119,513	(8,148,476)
Exchange differences on translating foreign operati	-	-	-	-	-	133,791	-	-	133,791
Balance as at February 28, 2023	522,785,255	$ 24,621,762	$ -	$ -	$ 10,013,967	$ 220,687	$ (53,351,902)	$ (1,549,723)	$ (20,045,209)
Balance as at February 28, 2023	522,785,255	$ 24,621,762	$ -	$ -	$ 10,013,967	$ 220,687	$ (53,351,902)	$ (1,549,723)	$ (20,045,209)
Conversion of loan	133,408,052	8,285,837	-	780,779	-	-	-	-	9,066,616
Debt settlement	4,042,462	141,486	-	-	-	-	-	-	141,486
Exercise of RSUs	2,000,000	220,000	-	-	(220,000)	-	-	-	-
Exercise of stock options	10,116,666	463,420	-	-	(231,420)	-	-	-	232,000
Common shares issued on private placement	11,822,635	1,300,391	-	-	-	-	-	-	1,300,391
Share issue cost recovery	-	11,529	-	-	-	-	-	-	11,529
Issue of shares per property agreement	35,000,000	-	-	-	-	-	-	-	-
Stock based compensation	-	-	-	-	104,800	-	-	-	104,800
Net loss for the year	-	-	-	-	-	-	(15,622,613)	45,500	(15,577,113)
Exchange differences on translating foreign operati	-	-	-	-	-	(117,719)	-	-	(117,719)
Balance as at February 29, 2024	719,175,070	$ 35,044,425	$ -	$ 780,779	$ 9,667,347	$ 102,968	$ (68,974,515)	$ (1,504,223)	$ (24,883,219)

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

Tantalex Lithium Resources Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended February 29, 2024 and February 28, 2023

(expressed in Canadian dollars)

	2024 $'s	2023 $'s
OPERATING ACTIVITIES		
Net loss	(15,577,113)	(8,148,476)
Operating items not involving cash		
Accrued interest and accretion	3,209,771	2,234,257
Depreciation of equipment	593,076	320,355
Share based payments	104,800	961,084
Change in fair value of convertible debenture	289,697	-
Impairment of loan receivable	532,697	-
Interest income	(47,509)	-
Loss on settlement of debt	728,244	-
Gain on modification of debt	(1,081,906)	(407,846)
Change in fair value of derivative liability	(1,520,110)	(4,582,220)
Unrealized foreign exchange (gain)	(111,131)	1,027,298
Changes in working capital items		
Prepaid expenses and deposits	(43,371)	(92,959)
Inventory	(448,353)	-
Sales tax and other receivable	(10,183)	(33,672)
Customer deposits	108,561	-
Trade payables and accrued liabilities	3,534,238	779,864
Cash flows used in operating activities	(9,738,594)	(7,942,315)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,140,091)	(2,257,782)
Deposits on equipment	(316,731)	-
Loan advances	-	(476,315)
Cash flows used in investing activities	(1,456,822)	(2,734,097)
FINANCING ACTIVITIES		
Proceeds from loans and advances	7,197,969	9,487,451
Proceeds from issue of common shares	1,300,391	1,183,588
Issue costs recovered	11,529	-
Proceeds from convertible debentures	4,095,600	-
Proceeds from exercise of stock options and warrants	232,000	500,000
Lease payments	(221,200)	-
Repayments of loans and debentures outstanding	(685,690)	(751,228)
Cash flows from financing activities	11,930,599	10,419,811
NET INCREASE (DECREASE) IN CASH	735,183	(256,601)
CASH, BEGINNING OF YEAR	110,958	367,559
CASH, END OF YEAR	846,141	110,958

Note 18 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 Lithium 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 1410-120 Adelaide Street West, Toronto, ON, M5H 1T1.

The Board of Directors approved and authorized for issue these consolidated financial statements on July 29, 2024.

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 significant doubt upon the Company's ability to continue as a going concern as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classification that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended February 29, 2024 the Company reported a net loss of $15,577,113 (2023 - $8,148,476) and has an accumulated deficit of $68,974,515 (February 28, 2023 – deficit of $53,351,902). In addition to ongoing working capital requirements, the Company must secure sufficient funding to further develop the Company's properties and pay for general and administration expenses. At February 29, 2024, the Company had a working capital deficit of $27,722,145 (February 28, 2023 – working capital deficit of $18,264,969). These conditions indicate the existence of material uncertainties 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, revenue from future production. To this effect, the Company is currently evaluating different financing options. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these consolidated financial statements.

3. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of compliance
The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of presentation
These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments designated at fair value through profit or loss which are carried at fair value. 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 (dissolved in 2023)., Sandstone Worldwide Ltd., Buckell SAS, Tantalex SAU SARL, United Cominiere SARL, United Materials Congo, Societe De Tailings De Manono ("STM") and Sadem Congo SARL ("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. 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.

Name of subsidiary	Country of Incorporation	Percentage Ownership
TTX Metals Inc.	Canada	100%
Sandstone Worldwide Ltd.	Bahamas	100%
Buckell SAS (inactive)	DRC	90%
Tantalex SAU SARL	DRC	100%
United Cominiere SARL	DRC	63%
United Materials Congo (inactive)	DRC	90%
Societe De Tailings De Manono (inactive)	DRC	65%
Sadem Congo SARL (inactive)	RC	100%

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments
Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit and loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statements of loss. Cash, amounts receivable and loan receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – Financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of income when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets
IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

For financial assets measured at amortized cost, the Company recognizes lifetime expected credit losses ("ECL") when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. The Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade payables and accrued liabilities, loans and advances payable, convertible debentures, and derivative liability. The derivative liability and the Glencore convertible loan are measured at fair value through profit and loss. All other financial liabilities are measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest and accretion in the statements of loss.

Subsequent measurement – Financial liabilities at FVPL
Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss and comprehensive loss.

Financial assets:	Classification IFRS 9
Cash	Amortized cost
Loan receivable	Amortized cost

Financial liabilities:	Classification IFRS 9
Trade payables and accrued liabilities	Amortized cost
Loans and advances payable	Amortized cost
Convertible debentures	Amortized cost
Derivative liability	Fair value through profit/loss
Glencore convertible loan	Fair value through profit/loss

The fair value hierarchy that applies in determining fair value requires that observable market data be used if such data exist. An asset or liability is classified at the lowest hierarchical level when significant unobservable market data has been used in the fair value measurement. The carrying amount and fair value of financial instruments are considered to be a reasonable approximation of fair value because of their short-term maturities.

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

Level 1: the fair value is determined directly by reference to unadjusted quoted prices in an active market for identical assets or liabilities.
Level 2: the fair value is estimated using a valuation technique based on observable market data, either directly or indirectly.
Level 3: the fair value is estimated using a valuation technique based on unobservable data. The Derivative liability and the Glencore convertible loan are level 3.

The carrying amount and fair value of financial instruments carried at amortized cost are considered to be a reasonable approximation of fair value because of their short-term maturities.

Glencore convertible loan
The initial fair value of the convertible loan was determined by valuing the components of the hybrid financial instrument, including the principal liability component and the conversion option component. At the date of issue, the fair value of the hybrid financial instrument was estimated using the benchmark yield applicable to the Company's estimated synthetic credit rating. The initial fair value of the convertible component was determined using a Geometric Brownian motion model. Both components are recorded at fair value at the end of each reporting period with the change in fair value recorded through the consolidated statement of loss.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

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

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential, including acquisition costs. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. All acquisition costs and exploration expenditures are expensed as incurred.

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures incurred subsequent to this date related to development and construction are capitalized as construction-in-process and classified as a component of property, plant and equipment.

Mining properties and process facility assets are amortized upon commencement of commercial production either on a unit-of-production basis over measured and indicated resources included in the mine plan or the life of mine.

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

Each part of an item of equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is recognized as follows:

Equipment	20% declining balance
Construction vehicles	10 years straight line
Vehicles	30% declining balance
Right of use asset	Straight line over term of lease

The depreciation expense for each year is recognized in the statement of loss and comprehensive loss. Depreciation of an asset ceases when it is classified as held for sale (or included in a disposal group that is classified as held for sale) or when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss.

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

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

As at February 29, 2024 and February 28, 2023, management has not identified any material provisions, other than the asset retirement obligation. See note 15.

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the tax asset is not recognized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

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

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

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

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

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

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

Non-controlling interest represents the Company’s foreign subsidiaries minority ownership’s share of loss.

Equity component of convertible debenture represents the value of a conversion option that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments.

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

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

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

All equity-settled share-based payments are ultimately recognized as an expense in the statement of loss and comprehensive loss with a corresponding credit to contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to warrants in equity, if applicable.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

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

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

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

Leases

The Company assesses new contracts at inception to determine whether a lease is present. This assessment involves significant judgement about whether an asset is specified for the Company, whether the Company obtains substantially all the economic benefits from use of that asset, and whether the Company has the right to control the use of the asset.

Leases are recognized as right of use ("ROU") assets with a corresponding liability at the date the leased asset becomes available for use by the Company. Each lease payment is allocated between the lease liability and finance expense. The finance expense is charged to the statements of comprehensive income (loss) over the lease term to present a constant periodic rate of interest on the remaining balance of the liability for each reporting period. ROU assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from leases are initially measured at present value. Lease liabilities include the net present value of fixed payments less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option, if the Company is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option. It is remeasured when there is change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, extension, or termination option that is within the control of the Company. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or at the Company's incremental borrowing rate.

ROU assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, or any initial direct costs and restoration costs.

Payments associated with short-term leases (term of 12 months or less) of low-value assets are recognized on a straight -line basis as an expense in the consolidated statements of comprehensive loss. The Company applies a single discount rate to portfolios of leases with similar characteristics.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Lease modifications will be accounted for as a separate lease, if the modification increases the scope of the lease, and if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. For modifications that don't justify a separate lease, or where the increase in consideration is not commensurate, at the effective date of the lease modification, the Company will remeasure the lease liability with a corresponding adjustment to the ROU asset using the rate implicit to the lease, if that rate can be determined, or the Company's incremental borrowing rate. A modification that decreases the scope of the lease will be accounted for by decreasing the carrying amount of the ROU asset, and recognizing a gain or loss in the net loss and comprehensive loss that reflects the proportionate decrease in scope.

Inventory

Inventory is valued at the lower of production cost and net realizable value ("NRV"). Production costs include costs of materials and labour related directly to mining and processing activities, including depreciation and amortization of mineral property, plant and equipment directly involved in the related mining and production process. If the carrying value of inventories exceeds NRV, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exist.

Asset retirement obligation

The Company incurs reclamation and other closure costs related to its mining properties such as facility decommissioning and dismantling, end of mine life severance, site restoration and ongoing environmental monitoring. These costs are a normal consequence of mining and are dependent on the requirements of the Company's legal and constructive obligations, as well as any other commitments made to stakeholders. The majority of these expenditures will be incurred at the end of the life of mine and are dependent upon a number of factors such as the life and nature of the asset, the operating license conditions and the environment in which the mine operates. The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the activities to be undertaken to meet regulatory and internal requirements.

Since the obligations are dependent on the laws and regulations of the countries in which the mines operate, they are regularly evaluated by management and external experts. Costs included in the obligations encompass all reclamation and other closure activities expected to occur progressively over the life of the operation at the time of closure and post-closure in connection with disturbances as at the reporting date. Obligations may change as a result of amendments in laws and regulations relating to environmental protection and/or other legislation affecting resource companies.

Included in the estimated obligations are a number of significant assumptions made by management in determining closure provisions. Accordingly, closure provisions are more uncertain the further into the future mine closure activities are expected to be carried out.

The Company records the present value of its reclamation and other closure provisions as a liability with a corresponding increase in the carrying value of the related asset. The provision is discounted to its net present value using a country specific, current market, pre-tax discount rate. The unwinding of the discount, referred to as an accretion expense, is included in finance costs in the consolidated statement of loss and results in an increase in the carrying amount of the liability.

Reclamation obligations settled in the year are offset against the corresponding liability. Unplanned reclamation costs are reported as either part of the cost of inventory or recognized as a cost in the consolidated statements of loss, if they relate to either production activities or a closed site. The capitalized cost of the reclamation and other closure activities is recognized in the mineral property and plant & equipment and amortized over the expected mine life of the operation to which it relates. Changes in obligations resulting from revisions to the timing or amount of expenditures, discount rate or foreign exchange rate are recognized as an increase or decrease in the reclamation and other closure provision liability, and a corresponding change in the carrying amount of the related assets.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Recent accounting pronouncements

During the year ended February 29, 2024, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's financial statements.

Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined.

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.

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

Stock based compensation, warrants and RSUs

The fair value of share-based payments and warrants 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 based on historical volatility, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. RSUs with vesting conditions based on market factors are valued using the Monte-Carlo valuation model. Estimates are made as to the volatility of its own share price based on historical volatility, the probably life of the RSUs, and the probability the market conditions will be achieved.

Assessment of indicators of impairment

At the end of each reporting period, the Company assesses whether there are any indicators, from external and internal sources of information, that an asset may be impaired, thereby requiring adjustment to the carrying value.

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

Expected credit losses
Determining an allowance for ECLs requires management to make estimates and assumptions about credit losses expected to occur in the future, which is based on the probability of default, loss given default, and expected cash shortfall relating to the underlying loan receivable. The expected credit loss is determined by evaluating a range of possible outcomes incorporating the time value of money and reasonable and supportable information about past events, current conditions, and future economic forecasts.

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.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Derivative liabilities
The Company values derivative liabilities by reference to their fair value at the date at which the instrument is granted and each reporting period. Estimating fair value requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life and volatility and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

Inventory
The Company carries its long-term inventory at the lower of production cost and NRV. If the carrying value exceeds the net realizable amount, a write-down is required. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist. The Company reviews NRV at least annually.

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

Asset retirement obligation
The Company incurs reclamation and other closure costs related to its mining properties. The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the activities to be undertaken to meet regulatory and internal requirements. Since the obligations are dependent on the laws and regulations of the countries in which the mines operate, they are regularly reviewed by management and external experts, and could change as a result of amendments to the laws and regulations. Included in the estimated obligations are a number of significant assumptions made by management in determining closure provisions. Accordingly, closure provisions are more uncertain the further into the future the mine closure activities are to be carried out.

The Company's policy for recording reclamation and other closure provisions is to establish provisions for future mine closure costs based on the present value of the future cash flows required to satisfy the obligations. This provision is updated as the estimate for future closure costs change. The amount of the present value of the provision is added to the cost of the related mineral property and plant and equipment and depreciated over the life of the mine. The provision is accreted to its future value over the life of mine through a charge to finance costs.

In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Contingencies and commitments
Refer to Note 23.

The amounts recognized in the consolidated financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Company's financial position and its financial performance and cash flows.

Glencore convertible loan
The initial value of the convertible loan was determined by valuing the components of the hybrid financial instrument, including the liability component and the conversion component, which required a number of assumptions. The significant assumptions used in determining the value of the convertible loan at issuance date and each subsequent reporting date include the discount rate used in the discounted cash flow of the liability component. In determining the appropriate discount rate, the Company considered rates of the benchmark yield based on management's assessment of the Company's credit rating.

Management used significant judgement in determining that the fair value on the convertible loan on issuance did not equal the transaction price. The resulting difference between the transaction price and the fair value on initial recognition (the "Day 1 loss") was deferred. The unrecognized Day 1 loss was recorded in net loss only to the extent that it arises from a change in factor that market participants would take into account when pricing the convertible security. The Company believes that time is such a factor specific to the convertible security and the Day 1 loss is recognized on a straight-line basis in the statement of loss over the contractual life of the convertible loan.

The fair value of the Glencore convertible loan at initial recognition is measured using the discounted cash flow model. This model requires management to make various assumptions and estimates that are susceptible to uncertainty. Judgements include considerations of a market rate of interest. The market rate of interest used is based on judgements including the Company's own credit risk, economic environment, term, and interest rate charged to comparable companies. The Company has estimated its market rate of interest to be 13.21% on February 29, 2024. Changes in assumptions can materially affect the fair value estimate of the debenture.

(expressed in Canadian dollars)

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

Fair value of conversion right on the Glencore convertible loan
The Company values the conversion right related to the Glencore convertible loan using the Geometric Brownian motion model. The key inputs in this model relate to the Company's share price and foreign exchange rates, future assumptions of the respective volatility, and interest rates in Canada and the United States.

6. INVENTORY

Inventory is measured at its net realizable value. The inventory balance relates to the material and finished goods from the Titan plant as follows:

	2024	2023
Finished goods – Tin	$ 349,400	$ -
Raw materials – Tantalum concentrate	98,953	-
Total	$ 448,353	$ -

7. LOAN RECEIVABLE

The Company entered into a short-term loan agreement with MINOR SARL ("Minor") in the amount of USD$350,000 ($489,105). The loan bears interest of 10% and was due May 2023. The Company has the option to convert the loan for 3% of the shares that Minor holds in Minocom Mining SAS ("Minocom") if the loan is not repaid by the due date. The loan was not repaid or converted at maturity and remains outstanding. As at February 29, 2024, given the uncertainty as to when it will be repaid or converted, the Company fully impaired the loan.

8. EXPLORATION AND EVALUATION

The following expenses related to the mining/exploration permits for the years ended February 29, 2024 and February 28, 2023

	2024	2023
Exploration and evaluation costs	$7,456,217	$ 4,660,177
Acquisition costs	-	680,450
Total	$7,456,217	$ 5,340,627

In July 2021, the Company signed an agreement ("Agreement") with Minor to acquire the property interests and related tailings for PER 13698 (Permis Exploitation Rejets) ("PER 13698") at Manono, Democratic Republic of Congo ("DRC"). PER 13698 grants the exclusive rights to mine the tailings of the historical Manono-Kitotolo mine of lithium, tin and tantalum. PER 13698 is in the process of being renewed and such renewal is not assured.
Upon signing, the Company paid USD$1,000,000 to enter into the Agreement.

The earn-in Agreement allows for TTX SAU, a wholly owned subsidiary of Tantalex in the DRC, to acquire up to an effective 52% interest in Minocom Mining SAS ("Minocom's") interest in certain property holdings. In the initial phase of the earn-in agreement, TTX SAU acquired a 25% interest for a payment of USD$2,000,000 (USD$1,000,000 and 20,000,000 shares of Tantalex, valued at $1,600,000 based on the quoted market price on issuance), in addition to the USD$3,000,000 that was paid in fiscal 2019.

TTX SAU also held an option to buy an additional 27% interest in Minocom for either USD$10,000,000 or 20,000,000 shares of Tantalex to be decided by MINOR after the completion of the initial resource estimate.

(expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION (CONTINUED)

On June 17, 2022, the Company announced that it effectively exercised its option to acquire an additional 27% stake in the Minocom assets for a total consideration of USD $500,000 and the issuance of 35,000,000 common shares of the Company pursuant to an amending agreement executed on May 17, 2022. During the year ended February 28, 2023, the USD$500,000 ($680,450) was paid. The 35,000,000 shares are currently being held in treasury. Once the shares are issued, the Company's earn-in will be effective.

The Company holds certain other mineral property interests, including those related to its property, plant and equipment. These permits are in the process of being converted and such conversions are not assured. The Company is required to pay an annual fee for each permit and certain of these fees are overdue. Included in accounts payable and accrued liabilities as at February 29, 2024 is $1,810,394 (USD$1,334,115) for the 2024 annual fees. Failure to pay the annual fee could result in the loss of title.

9. PROPERTY, PLANT AND EQUIPMENT

	Construction in process	Equipment	Vehicles	Construction vehicles	Total
	$	$	$	$	$
Cost					
February 28, 2022	2,948,772	461,536	356,199	1,973,639	5,740,146
Foreign exchange adjustment	214,287	33,113	25,555	141,596	414,551
Additions	1,882,258	11,713	13,201	731,007	2,638,179
February 28, 2023	5,045,317	506,362	394,955	2,846,242	8,792,876
Foreign exchange adjustment	(15,366)	(1,451)	(1,133)	(9,481)	(27,431)
Additions	9,023,659	53,628	172,398	-	9,249,685
February 29, 2024	**14,053,610**	**558,539**	**566,220**	**2,836,761**	**18,015,130**
Accumulated Depreciation					
February 28, 2022	-	129,792	62,357	61,804	253,953
Foreign exchange adjustment	-	9,312	4,472	4,434	18,218
Depreciation	-	55,475	73,885	190,995	320,355
February 28, 2023	-	194,579	140,714	257,233	592,526
Foreign exchange adjustment	(760)	(557)	(402)	(722)	(2,441)
Depreciation	-	67,362	101,694	283,087	452,143
February 29, 2024	**(760)**	**261,384**	**242,006**	**539,598**	**1,042,228**
Carrying amounts					
February 28, 2023	5,045,317	311,783	254,241	2,589,009	8,200,350
February 29, 2024	**14,054,370**	**297,155**	**324,214**	**2,297,163**	**16,972,902**

During the year ended February 29, 2024 $878,581 (year ended February 28, 2023 - $629,920) of borrowing costs were capitalized to construction in process at a weighted average capitalization rate of 13% (2023 – 16%).

(expressed in Canadian dollars)

10. RIGHT OF USE ASSET

	Office Lease
Balance, February 28, 2023	$ -
Additions	507,603
Amendment	(117,226)
Depreciation	(141,694)
Balance, February 29, 2024	$ 248,683

The Company entered into a three-year lease for office space in the DRC. The lease commenced on April 10, 2023. Under the lease, the Company was required to pay a monthly base rent of USD$18,000. The lease payment was amended in January 2024, and reduced to USD$10,000 per month. At the commencement of the lease, the right of use asset was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 15.18%, which is the Company's incremental borrowing rate in the DRC.

11. LEASE LIABILITY

Tantalex has entered into the leases as described in Note 10 above.

The following table reflects the continuity of the lease liabilities as at February 29, 2024:

	$
Balance – February 28, 2023	**-**
Additions	507,603
Amendment	(117,226)
Lease payments	(221,200)
Interest on lease obligations	66,200
Balance – February 29, 2024	**235,377**
Current	98,504
Long term	136,873

12. LOANS AND ADVANCES

On April 24, 2019, June 5, 2019, and October 9, 2019, the Company entered into loan agreements of USD $500,000, USD$250,000 and $100,000 respectively (the "Unsecured Loans"). The Unsecured Loans are non-interest bearing and had a maturity date one year from the date of issuance.

On July 28, 2020, the Unsecured Loans issued to the Company by International Cobalt Corp. were converted into unsecured convertible debentures (the "ICC Convertible Debentures") in the aggregate principal amount of USD $750,000 and $100,000. The Convertible Debentures had a maturity date of July 28, 2021 (the "Maturity Date") and the principal amounts bore interest at the rate of 12% per annum (the "Interest"), payable on the Maturity Date in cash or common shares at the option of the Company.

On November 10, 2020, the Company entered into an amended agreement whereby the maturity dates of the ICC Convertible Debentures were extended to May 10, 2022, and the conversion price was changed to $0.05 per common share. On May 10, 2022, the Company entered into amending agreements to extend the maturity dates of the Unsecured Loans to November 10, 2022, at an interest rate to 4% with all other terms of the convertible debentures remain unchanged. On November 10, 2022 the ICC Convertible Debentures became due on demand.

12. LOANS AND ADVANCES (continued)

The conversion feature of the USD $750,000 debenture met the definition of a derivative liability instrument because the conversion rate is variable based on the exchange rate and therefore does not meet the "fixed-for-fixed" criteria outlined under IFRS. As a result, the conversion feature was 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.

The 2021 amendment was accounted for as an extinguishment to the original debenture. The USD $750,000 debenture was separated into a convertible debt component and a derivative liability, which included the conversion option and the warrants. The derivative liability was valued first and the residual of the proceeds was allocated to the debt. The derivative liability was initially assigned a value of $996,475 calculated using the Black-Scholes option pricing model, and has been adjusted to its current estimated value of $nil as at February 28, 2023. The $100,000 debenture was separated into a convertible debt component and an equity component, which included the conversion option and the warrants. The equity component was assigned a value of $142,543 calculated using the Black-Scholes option pricing model.

On February 28, 2024, the Company settled the Unsecured Loans (principal and interest) with the issuance of 26,081,222 common shares, at $0.05 per share.

During the year ended February 28, 2023 and the year ended February 28, 2022, Afrimet Resources ("Afrimet"), a related party (note 13), advanced funds to the Company to cover purchases of property, plant and equipment, fund exploration expenditures and operating expenses. These advances carried a 10% agreed interest rate, were unsecured, and had no specific terms of repayment. On July 8, 2022, the Company formalized these advances into a USD$7,213,006 loan agreement (and a USD$1,231,784 convertible debenture (see note 13)) to convert the previous advances made to these loans. Pursuant to the loan agreement ("Loan #1") Afrimet made available a loan facility of USD$7,213,006 for the purpose of financing mining equipment for the Lubule Tin & Tantalum Alluvial Project. Loan #1 carries an interest at a rate of 10% per annum that are payable on March 31, June 30, September 30 and December 31 of each year. Afrimet is currently allowing the Company to defer payment of the interest. Tantalex must repay this Loan #1 on the date falling 18 months from the commencement of the commercial mining and minerals processing operations at the Lubule Tin & Tantalum Project or by December 31, 2024, whichever is earlier.

On March 30, 2022, the Company signed an unsecured grid promissory note (the "Grid Note #1") for USD$1,000,000 with Afrimet (a related party (note 12)). Grid Note #1 originally accrued interest at a rate of 10% per annum and became due in full on March 30, 2023. On August 1, 2023, the Grid Note was amended to extend the maturity date to March 30, 2024, and increase the interest rate to 12.5% commencing August 1, 2023. As at February 29, 2024 the full amount of Grid Note #1 was outstanding.

On July 20, 2022, the Company signed an unsecured grid promissory note (the "Grid Note #2") for USD$1,000,000 with Afrimet. Grid Note #2 originally accrued interest at a rate of 10% per annum and became due in full on July 20, 2023. On August 1, 2023, the Grid Note #2 was amended to extend the maturity date to July 20, 2024, and increase the interest rate to 12.5% commencing August 1, 2023. As at February 29, 2024 the full amount of Grid Note #2 was outstanding.

On July 8, 2022, the Company entered into a loan agreement with Trade Cloud Services PTE LTD., a related party, ("Trade Cloud"). Pursuant to this loan agreement ("Loan #2"), Trade Cloud has agreed to make available a loan for an amount of up to USD$3,000,000 for the purpose of completing the financing for Tantalex Lithium's Lubule plant to produce tin and tantalum concentrates. Loan #2 carries interest at a rate of 10% per annum for the first 12 months and an additional annual rate of five per cent (5%) shall be applied to bring the interest rate to fifteen percent (15%) per annum for any days in delay in the repayment. Tantalex must repay this Loan #2 at the latest twelve (12) months from the date of the First Drawdown.

On August 1, 2023, the loan was amended to extend the maturity date to January 31, 2024 as the early repayment date and March 31, 2024 as the late repayment date. A service fee will be added on which will be calculated as 4% of the gross sales price on the first one thousand eight hundred (1,800) dry metric tonnes of tin concentrates produced by the Lubule project, an increase of nine hundred (600) dry metric tonnes from the original Loan Agreement.

(expressed in Canadian dollars)

12. LOANS AND ADVANCES (continued)

On January 23, 2023 the Company closed a working capital loan facility (the "Facility") of USD $3,000,000 with Afrimet. The Facility shall be repaid in installments of USD$125,000 per month (commencing upon commercial production) plus the interest payable at a rate of 10% per annum. The loan facility entitles Afrimet to purchase up to 2,400 metric tonnes of tin concentrate over a period of 24 months. The first USD$1,000,000 of the facility was drawn on February 2, 2023, and the balance in March 2023.

On April 20, 2023, the Company entered into a loan agreement with a director of the Company whereby it received an amount of USD$2,000,000 (the "Loan Agreement"). As per the Loan Agreement, the funds were received in two tranches: USD$500,000 on April 24, 2023 and the balance of USD$1,500,000 on May 1, 2023. The loan is unsecured, has a fee of USD$200,000 and is due forty-five (45) days from the date of the execution of the Loan Agreement. The interest fee resulted in an annualized effective interest rate of 81%. The loan was not repaid on its maturity date. On June 30, 2023, the Company converted the Loan Agreement of USD$2,000,000 and the fee of USD$200,000 into 26,922,546 common shares at an issue price of $0.11 per common share.

On August 1, 2023, the Company entered into a bridge loan agreement with a private investor at arm's length (the "Bridge Loan Agreement") whereby it received a loan of USD$500,000 (the "Loan"). The Loan is unsecured, bears a fee of USD$50,000 and is due sixty (60) days from the date of the execution of the Bridge Loan Agreement. The principal amount was repaid on November 20, 2023. As the Loan was not repaid at the maturity date, the Loan was amended to include an amount of USD$41,666, which represents a daily fee of USD$833 for the 50 days the late repayment, which is in addition to the USD$50,000 fee. The initial fee plus the late fee have been accrued (totaling $124,391 (USD$91,466)) at February 29, 2024. The interest fee resulted in an annualized effective interest rate of 60%.

During 2024, the Company entered into a loan agreement with Afrimet pursuant to which Afrimet will make available a loan in the principal amount of up to USD$750,000 (the "Afrimet Loan"). The Afrimet Loan bears an interest rate of 12.5% per annum from the date of payment. The Afrimet Loan will be offset of USD$12,500 per metric ton ("mt") of DRC Ta2O5 ore delivered. As at February 29, 2024, USD$578,020 has been drawn.

During fiscal 2023 and fiscal 2024 the Company was advanced a total of $365,166 by Coproco Group SARL. These funds bear interest of 10%, are unsecured and have no specific terms of repayment.

	February 29, 2024	February 28, 2023
Opening balance	$ 19,130,828	$ 10,005,050
Advances	1,091,216	1,150,910
Advances formalized to loans	-	(9,443,267)
Advances formalized to convertible debentures	-	(1,601,320)
Conversions of advances to loan agreement	-	9,443,267
Loans received during the year	6,106,753	5,793,716
Grid note 1	-	1,252,945
Grid note 2	-	1,289,880
Repayments - cash	(685,472)	(751,226)
Conversion of debt to common shares	(2,961,480)	-
Interest accrued	2,542,378	1,027,020
Foreign exchange	(54,162)	963,853
Balance end of period/year	$ 25,170,062	$ 19,130,828
Current	$ 20,692,334	$ 8,661,133
Long-term	4,477,728	10,469,695
	$ 25,170,062	$ 19,130,828

(expressed in Canadian dollars)

13. 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 VPs, is as follows for the years ended February 29, 2024 and February 28, 2023:

	2024	2023
Management and consulting fees	**$ 961,495**	$ 1,029,595
Share-based payments	**243,997**	952,435
	$ 1,205,492	$ 1,982,030

During the year ended February 29, 2024 $121,500 (2023 - $101,250) of fees were charged by CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company. As at February 29, 2024, $33,877 (February 28, 2023 - $83,793) of the fees are outstanding and are included in trade payables and accrued liabilities on the statement of financial position. On September 6, 2022, the Company settled $40,000 of debt with CFO Advantage Inc. with the issuance of 500,000 common shares. During the year ended February 29, 2024, 2,000,000 common shares were issued on the exercise of 2,000,000 stock options by the Chief Financial Officer.

During the year ended February 29, 2024, $236,140 (2023 - $146,831) of fees were charged by 3IM Technologies (“3IM”), a Company owned by the CEO of the Company. As at February 29, 2024, $44,498 (February 28, 2023 - $68,847) of the fees and expenses are outstanding and are included in trade payables and accrued liabilities on the statement of financial position. On September 6, 2022, the Company settled $60,000 of debt with 3IM Technologies with the issuance of 750,000 common shares. As at February 29, 2024, $nil (February 28, 2023, $13,412) is also included in accounts payable as due to the CEO for expenses paid for on behalf of the Company. On August 17, 2023, 3IM provided a $60,000, non-interest-bearing, short-term loan to the Company with no specific terms of repayment. The loan was repaid on November 20, 2023.

During the year ended February 29, 2024, the Company was charged $117,736 (2023 - $132,878) by law firms for legal services and disbursements where Michel Lebeuf (former Interim CEO, former director and the current corporate secretary of the Company) is a partner. As at February 29, 2024, $33,160 (February 28, 2023 - $32,007) was payable to these law firms and are included in trade payables and accrued liabilities on the statement of financial position.

During the year ended February 29, 2024, the Company was charged $79,746 (2023 - $159,492), by Matthew Botell, director of the Company, as consulting fees. $239,238 of fees remained payable at February 29, 2024 (February 28, 2023 - $159,492).

During the year ended February 29, 2024, the Company was charged $189,078, by Hadley Natus, director of the Company, as consulting fees. $84,781 of fees remained payable at February 29, 2024. During the period, 5,116,666 common shares were issued to Mr. Natus upon the exercise of 5,116,666 stock options.

Amounts included in trade payable are accrued liabilities are unsecured, non-interest bearing and have no fixed terms of repayment.

On April 20, 2023, the Company entered into the Loan Agreement (note 12) with Simon Collins, a director of the company.

On July 8, 2022, the Company entered into Loan #2 (note 12) with Trade Cloud, a company controlled by Matthew Botell and Simon Collins, directors of the Company.

During the year ended February 29, 2024, the Company had the following transactions with Afrimet, and Coproco Group SARL (“Coproco”), companies controlled by Hadley Nautus, a director of the Company.

- Entered into the Afrimet Loan (note 12).
- Received additional $237,641 of advances from Coproco (note 12).

13. RELATED PARTY TRANSACTIONS (continued)

During the year ended February 28, 2023, the Company had the following transactions with Afrimet, and Coproco Group SARL ("Coproco"), companies controlled by Hadley Nautus, a director of the Company.

- Entered into an agreement for Grid Note #1 (note 12).
- Entered into an agreement for Grid Note #2 (note 12).
- Entered into an agreement for the Facility (note 12).
- $17,153 included in accounts payable at February 28, 2023 for expense paid by Afrimet on behalf of the Company.
- $127,525 is owing to Coproco for invoices paid on behalf of the Company.
- During the year ended February 28, 2023, the Company was charged $73,101, by Mr. Natus as consulting fees, which remained payable at February 28, 2023.
- Matters related to these transactions, remained ongoing during the year ended February 29, 2024.

See note 16 for related parties' involvement in private placements.

14. CONVERTIBLE DEBENTURES

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 (the "Maturity Date"). Each Debenture was 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 was subject to a warrant coverage of up to 50% of the principal amount (1,787,500 warrants) to which the holder of the Debenture was 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. On the Maturity Date, the conversion feature expired and the debt was accreted up to its face value.

On July 28, 2020, the Company entered into an amending agreement whereby the terms of certain debentures (dated as of July 27, 2018 in the principal amount of USD $1,350,000 and an unsecured convertible debenture dated as of November 9, 2018 in the principal amount of $1,000,000 (the "Amended Debentures"), were amended and replaced with the following terms:

- The principal amounts bear interest at an annual rate of 12% per annum, payable on the maturity date.
- Interest shall be payable in cash or common shares, at the option of the Company.
- If the payment is made in common shares, the common shares will be issued at a price of $0.05 per common share.
- The maturity date was extended to July 28, 2021.

14. CONVERTIBLE DEBENTURES (continued)

On November 10, 2020, the Company entered into a second amended agreement whereby the maturity dates were extended to May 10, 2022. On May 10, 2022, the Company entered into amending agreements to extend the maturity dates of the convertible debentures to November 10, 2022 and reduce the interest rate to 4%, with all other terms of the convertible debentures remain unchanged. On November 10, 2022 the ICC Convertible Debentures became due on demand. The first amendment was accounted for as an extinguishment to the original debenture while the second amendment was accounted for as a modification to the first amendment. The fair value of the liability component of the USD $1,350,000 debenture at the time of amendment was calculated as the discounted cash flows for the Amended Debentures assuming a market interest rate of approximately 20.22%, which was the estimated rate for the Amended Debentures without the liability component of the conversion feature. The residual of the principal less the present value of the liability component was allocated to the conversion option based on their relative fair value calculated using the Black-Scholes option pricing model, resulting in an allocation of $227,039 to the conversion option. The conversion option was recorded as derivative liability and revalued at year end.

The first amendment was accounted for as an extinguishment to the original debenture while the second amendment was accounted for as a modification to the first amendment. The fair value of the liability component of the $1,000,000 debenture at the time of amendment was calculated as the discounted cash flows for the Amended Debentures assuming a market interest rate of approximately 20.41%, which was the estimated rate for the Amended Debentures without the equity component of the conversion feature. The residual of the principal less the present value of the liability component was allocated to the conversion option based on their relative fair value calculated using the Black-Scholes option pricing model, resulting in an allocation of $123,042 to the conversion option. The conversion option was reported as Equity component of debt in the shareholders' equity.

On November 3, 2020, the Company entered into an amending agreement whereby the terms of a debenture dated as of August 9, 2018 in the principal amount of USD $100,000 was amended and replaced with the following terms:

- The principal amounts bear interest at an annual rate of 12% per annum, payable on the maturity date.
- Interest shall be payable in cash or common shares, at the option of the Company.
- If the payment is made in common shares, the common shares will be issued at a price of $0.05 per common share.
- The maturity date was extended to May 14, 2021.

The amendment was accounted for as a modification to the original debenture. The fair value of the liability component of the USD $100,000 debenture at the time of amendment was calculated assuming an interest rate of 12%, which was the original coupon rate. The residual of the principal less the present value of the liability component was allocated to the conversion option based on their relative fair value calculated using the Black-Scholes option pricing model, resulting in an allocation of $0 to the conversion option. The conversion option was recorded as a derivative liability.

See also note 12, ICC Convertible Debentures.
On February 28, 2024, all remaining ICC Convertible Debentures (of principal and accrued interest) in the amount of $5,324,275, that became due in November of 2022, were converted into 106,485,506 common shares at a price of $0.05 per common share and 50,000,000 common shares purchase warrants, exercisable into 50,000,000 common shares at a price of $0.10 for a period of thirty (30) months from issuance. The warrants were attributed a value of $780,779 using the black scholes option pricing model using the following assumptions risk free interest rate 3.95%; expected volatility of 114%; expected dividend yield of 0% and an expected life of two and a half years. The settlement resulted in a loss on settlement of $780,779.

The Company converted USD$1,231,784 of previously made advances, to a USD$1,231,784 ($1,601,320) principal amount of an unsecured convertible debenture with Afrimet on July 8, 2022 (the "Afrimet Convertible Debenture"). The Afrimet Convertible Debenture has a one-year term and matured on July 10, 2023 (the "Maturity Date"). On May 1, 2023, the Company entered into an amending agreement to extend the maturity date of a Convertible loan to January 10, 2024. All other terms remain the same. The parties extended a second time the maturity date to January 10, 2025, and increased the interest rate to 12.5% starting January 11, 2024 until maturity.

(expressed in Canadian dollars)

14. CONVERTIBLE DEBENTURES (continued)

The Afrimet Convertible Debenture bears interest at 10% per annum until January 11, 2024, and 12.5% thereafter, payable at any time prior to the Maturity Date in cash or common shares of the Company (the "Common Shares"), at the option of the Company. At any time during the term, Afrimet may elect to convert the outstanding principal net amount, or any portion thereof, into Common Shares at a conversion price of $0.10 per share. The Afrimet Convertible Debenture and any Common Shares issuable upon conversion thereof will be subject to a statutory hold period lasting four months and one day following the closing date of the Convertible Debenture. The conversion feature of the debenture meets the definition of a derivative liability instrument because the conversion rate is variable based on the exchange rate and therefore does not meet the "fixed-for-fixed" criteria outlined under IFRS. As a result, the conversion feature 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. The derivative liability was valued first and the residual of the proceeds was allocated to the debt. The derivative liability was initially assigned a value of $732,162 calculated using the Black-Scholes option pricing model, and has been adjusted to its current estimated value each reporting period.

The following table discloses the components associated with convertible debenture (other than the Glencore loans below):

	February 29, 2024	February 28, 2023
	$	$
Convertible debenture liability component:		
Balance, at beginning of the year	6,695,654	5,190,993
Converted to shares	(5,324,275)	(497,982)
Funds advanced	-	1,601,320
Derivative liability	-	(732,162)
Gain on modification	(1,090,216)	(407,846)
Foreign exchange adjustments	(1,437)	321,303
Accretion and interest	1,479,774	1,220,028
Balance, at the end of the year	1,759,500	6,695,654

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

	February 29, 2024	February, 28, 2023
	$	$
Opening balance	613,069	4,458,448
Additions	-	732,162
Change in fair value of derivative liability	(442,249)	(4,582,220)
Foreign exchange adjustment	-	4,679
Balance end of year	170,820	613,069

Glencore Loans
November 13, 2023, the Company entered into a Convertible Facilities Agreement with Glencore AG ("Glencore"). Glencore has agreed to make available to the Company (a) a convertible term loan facility in an amount up to $2,774,400 (USD$2,000,000) ("Facility A") and (b) a convertible term loan facility in an amount up to $4,116,600 (USD $3,000,000) ("Facility B") (Facility A and Facility B together being the "Facilities").

14. CONVERTIBLE DEBENTURES (continued)

Facility A was drawn at the closing date, being November 10, 2023 ("Closing Date"). A partial draw on Facility B of $1,351,200 (USD$1,000,000) was received on February 21, 2024. The Facilities shall terminate on December 1, 2025 (the "Termination Date").

The Company agreed to pay to Glencore a facility fee in an amount equal to 1.5 per cent of the aggregate amount of the Facilities as at the Closing Date. This amount is included in account payable and accrued liabilities at February 29, 2024.

The Facilities are convertible at Glencore's option. At any time during the conversion period, Glencore has the option to subscribe for common shares in the capital of the Company at the relevant conversion price. The conversion price for the Facilities is equal to the higher of (a) the closing price of the Common Shares published by Bloomberg for the scheduled trading day immediately prior to the Closing Date and (b) the 20-day volume weighted average trading price of the Common Shares published by Bloomberg for the 20 scheduled trading days immediately after the Closing Date less a 25 per cent. discount, in each case converted into US$ (the "Conversion Price").

The Facilities bear interest at the secured overnight financing rate ("SOFR") plus 8%. The Facilities are secured against the Company's 70% ownership interest in United Cominiere SAS, a corporate joint venture with Cominiere SA (a Congolese state-owned corporation).

The fair value of Facility A on issuance was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 112% based on historical volatility of the Company's common shares, risk-free rate of 4.47%, share price on issuance date of $0.095, foreign exchange rate of 1.3722, exchange rate volatility of 6.5%, and expected life of two years. The fair value of the convertible security was $4,512,985, which resulted in a loss of $1,768,585 compared to funding proceeds received of $2,744,500. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

The fair value of the partial draw down of Facility B on issuance was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 111% based on historical volatility of the Company's common shares, risk-free rate of 4.3%, share price on issuance date of $0.045, foreign exchange rate of 1.3512, exchange rate volatility of 6.2%, and expected life of 1.78 years. The fair value of the convertible security was $1,618,335, which resulted in a loss of $267,135 compared to funding proceeds received of $1,351,200. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

The Company has recorded the Facilities including the principal liability and conversion feature at fair value through profit and loss. The Facilities have been recorded at Level 3 in the fair value hierarchy.

At February 29, 2024, the fair value of the Facilities A and B were estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 113% based on historical volatility of the Company's common shares, risk-free rate of 4.28%, share price on valuation date of CAD$0.045, foreign exchange rate of 1.3570, exchange rate volatility of 6.2%, and expected life of 1.76 years.

(expressed in Canadian dollars)

14. CONVERTIBLE DEBENTURES (continued)

The following table discloses the components associated with Glencore loans:

	Facility A	Facility B	Total
Convertible Note			
Issued at fair value	4,512,985	1,618,335	6,131,320
Loss (gain) on fair value adjustment	(1,098,906)	21,044	(1,077,862)
Balance at February 29, 2024	3,414,079	1,639,379	5,053,458
Unrecognized Day 1 Loss			
Unrecognized loss deferred at issuance	(1,768,585)	(267,135)	(2,035,720)
Recognized loss during the period	246,890	42,807	289,697
Balance at February 29, 2024	(1,521,695)	(224,328)	(1,746,023)
Net balance at February 29, 2024	1,892,384	1,415,051	3,307,435

15. ASSET RETIREMENT OBLIGATION

The following table presents the reconciliation of the estimated future obligations associated with the retirement of the exploration and evaluation assets:

	2024
	$
Balance beginning of year	-
Additions	7,229,688
Balance end of year	7,229,688

The Company’s decommissioning provision has been estimated for the Titan mining project. The provision is based on estimated costs to dismantle and remove the asset, and the reclaim the property, and estimated timing of the cost to be incurred in future years. The undiscounted amount of the estimated cash flows required to settle the obligation is approximately $10,353,505. The estimated cash flow has been discounted using a pre-tax rate of 4.25% and inflation rate of 7%-8.47%. The Company estimates that these costs will be incurred between 2033 and 2035.

(expressed in Canadian dollars)

16. 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 consists only of fully paid common shares.

	Number of shares	Amount
Total shares issued at February 28, 2022	**483,651,757**	**$ 22,051,582**
Conversion of debenture (note 14)	9,959,640	497,982
Exercise of warrants (i)	10,000,000	542,431
Settlement of debt (ii)	2,943,558	236,179
Issue of shares on exercise of RSUs (iii)	1,000,000	110,000
Shares issued on private placement of common shares (iv)	15,230,300	1,183,588
Total shares issued at February 28, 2023	**522,785,255**	**24,621,762**
Issue of shares on exercise of RSUs (iii)	2,000,000	220,000
Issued of share on exercise of options (v)	10,166,666	463,420
Issue of shares on the conversion of the Loan Agreement (note 12)	26,922,546	2,961,562
Shares issued on private placement of common shares (vi)	11,822,635	1,300,391
Shares issued on agreement with Minor (held in treasury) (note 8)	35,000,000	-
Conversion of debt (vii)	4,042,462	141,486
Conversion of ICC loans (note 14)	106,485,506	5,324,275
Share issue costs reversed	-	11,529
Total shares issued at February 29, 2024	**719,175,071**	**$ 35,044,425**

(i) On May 27, 2022, 10,000,000 common shares were issued upon the exercise of 10,000,000 warrants for proceeds of $500,000. The value of the warrants in the amount of $42,431 was allocated to share capital and removed from warrants.

(ii) On September 6, 2022, the Company settled $236,179 of debt with the issuance of 2,943,558 common shares. $121,285 of this debt was settled with directors and officers.

(iii) On September 1, 2022 and again on March 1, 2023, 1,000,000 and 2,000,000 common shares, respectively, were issued on the exercise and vesting of 1,000,000 and 2,000,000 RSUs, respectively, by two directors of the Company.

(iv) Between August 9, 2022 and October 7, 2022, the Company closed a private placement in two tranches for gross proceeds of $1,218,324, through the issuance of common shares at a price of $0.08 per common share. $23,208 of costs were associated with the private placement and have been deducted from share capital. A director subscribed for 3,225,000 common shares ($258,000), and the Corporate Secretary subscribed for 342,050 common shares ($27,364) of the private placement.

(v) During the year ended February 29, 2024, 10,166,666 common shares were issued on the exercise of 10,166,666 stock options for proceeds of $232,000. The options had a value of $231,420 which was removed from contributed surplus on the issuance of the shares.

(vi) Company closed the first three tranches of a non-brokered private placement for gross proceeds of $1,300,391 through the issuance of 11,822,635 common shares at $0.11 per share. No compensation was paid in connection with the private placement.

(vii) The Company settled debt in the amount of $194,021 with the issuance of 4,042,462 common shares. On the date of issuance, the shares had a fair value of $0.035 resulting in a gain on settlement of $52,535.

(expressed in Canadian dollars)

16. EQUITY (continued)

Warrants
The following summarizes the activity during the years ended February 29, 2024 and February 28, 2023:

	Number of warrants	Amount
Balance February 28, 2022	12,500,000	$ 166,883
Expired	(2,500,000)	(124,452)
Exercised	(10,000,000)	(42,431)
Balance February 28, 2023	-	-
Issued (note 14)	50,000,000	780,779
Balance February 29, 2024	50,000,000	$ 780,779

Share options
The Company has established a share option plan whereby the Board of Directors may from time-to-time grant options and RSUs 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. At the Company's AGM held in May 2022, the shareholders approved, and the Company adopted an amended stock option and restricted stock units plan (the"Plan"), reserving a rolling 10% of the issued and outstanding shares of the Company, which may be issued under the Plan. Significant terms of the Plan are as follows: (i) maximum term is fixed by the board of directors and may not exceed 10 years (ii) exercise price is determined by the board of directors, provided it is not less than the price permitted by the Canadian Stock Exchange (iii) vesting of stock options are determined by the board, and restricted stock units vest upon meeting certain milestones that are time or performance based.

On June 1, 2022, the board approved the grant of 3,750,000 options to purchase common shares of the Company to certain employees, consultants, officers and directors of the Company with an exercise price of $0.10. 1,750,000 of the options have vesting conditions based on certain milestones (750,000 vest on the commissioning of the Lubule plant and 1,000,000 vest on the completion of a prefeasibility study on the Manono tailings). The options were assigned a value of $291,814 using the black scholes model using the following assumptions: risk free interest rate 2.86%; expected volatility of 208-226%; expected dividend yield of 0% and an expected life of five years.

On June 1, 2022, the board approved the grant of 8,900,000 restricted share units ("RSUs") to certain employees, consultants, officers and directors of the Company. 4,900,000 of the RSUs have vesting conditions based on certain milestones (1,750,000 vest upon completion of the financing for building the plant for the Manono tailings project, 1,750,000 vest upon 45 days after continuous share price trading over $0.30 and 1,750,000 vest upon 45 days after continuous share price trading over $0.60). The RSUs with market conditions were valued using the Monte Carlo valuation model using the following inputs: assumed life of RSUs 7 years, share price of $0.11, risk free rate of 2.90% and volatility of 229%. The other RSUs were valued based on the quoted market price of the Company's shares on the date of issuance being $0.11.

For the year ended February 29, 2024, $104,800 (2023 - $961,084) is included in the statement of loss representing the value of the options and RSUs that vested.

The following summarizes the RSU activity during the years ended February 29, 2024 and February 28, 2023:

	Number of RSUs
Balance at February 28, 2022	**-**
Granted	8,900,000
Vested and exercised	(1,000,000)
Balance at February 28, 2023	**7,900,000**
Vested and exercised	(2,000,000)
Cancelled	(1,900,000)
Balance at February 29, 2024	**4,000,000**

(expressed in Canadian dollars)

16. EQUITY (continued)

The following summarizes the stock option activity during the years ended February 29, 2024 and February 28, 2023:

	Number of options	Exercise price
Balance at February 28, 2022	**37,500,000**	**$ 0.06**
Granted	3,750,000	$ 0.10
Balance at February 28, 2023	**41,250,000**	**$ 0.06**
Cancelled	(5,700,000)	$ 0.09
Expired	(4,000,000)	$ 0.07
Exercised	(10,116,666)	$ 0.02
Balance at February 29, 2024	**21,433,334**	**$ 0.07**

The following options are outstanding and exercisable as at February 29, 2024:

Grant Date	Expiry date	# of Options	# of options exercisable	Exercise price
15-Dec-20	15-Dec-25	4,883,334	4,883,334	$ 0.03
12-Oct-21	12-Oct-26	12,000,000	12,000,000	$ 0.08
01-Nov-21	01-Nov-26	2,000,000	2,000,000	$ 0.08
01-June-22	01-June-27	2,550,000	1,750,000	$ 0.10

The weighted average expiry date is 2.5 years. The weighted average exercise price is $0.07.

17. LOSS PER SHARE

The weighted average number of common shares outstanding used for the calculation for 2024 was 572,050,545 (2023 – 507,737,299). 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.

18. ADDITIONAL INFORMATION ON CONSOLIDATED STATEMENT OF CASH FLOWS

Certain investing and financing activities do not require the use of cash and, accordingly, have been excluded from the consolidated statements of cash flows:

	February 29, 2024	February 28, 2023
Change in accounts payable and accrued liabilities relating to property, plant and equipment	**$ -**	$ 380,397
Shares issued on conversion and settlement of debt	**$9,208,102**	$ 734,161

19. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company defines capital as shareholders' deficiency balance. 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.

19. 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 significant changes in the Company's approach to capital management during the years ended February 29, 2024 and February 28, 2023. The Company is not subject to any externally imposed capital requirements as at February 29, 2024. 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.

20. FINANCIAL INSTRUMENT RISKS

Objectives and policies concerning financial risk management
The Company is exposed to different financial risks resulting from its operations as well as investing and financing activities. The following analysis enables users to evaluate the nature and extent of the risks at the end of the year.

Financial risks
The principal financial risks to which the Company is exposed as well as its policies concerning the management of the financial risks are detailed as follow:

Interest rate risk
The convertible debentures provide for a fixed annual interest rate and therefore expose the Company to the risk of fair value variation due to interest rate variation because this financial asset is recognized at amortized cost. The other financial assets and liabilities of the Company do not represent interest risk because they do not bear interest or are at a fixed interest rate. The Company does not use financial derivatives to decrease its exposure to interest risk.

Liquidity risk
Management's objective is to maintain sufficient levels of cash and to ensure that the Company has at its disposal sufficient sources of financing, such as private financing and capital markets. Obtaining additional funds make it possible for the Company to continue its operations (Note 2).

As at February 29, 2024, 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 and development 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 February 29, 2024, the Company had net monetary assets of $33,298,469 (February 28, 2023 – $8,219,129) denominated in a foreign currency. The impact to equity of a 10% increase or decrease in foreign currencies to the Canadian dollar exchange rate at February 29, 2024 would be $33,329,846 (February 28, 2023 - $821,900).

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)

20. 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 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. The loan receivable is due from one party, refer to note 7.

21. GENERAL AND ADMINISTRATIVE

A breakdown of the general and administrative expenses for the years ended February 29, 2024 and February 28, 2023:

	2024	2023
Legal and audit	$ 637,956	$ 528,962
Consulting fees	876,666	608,505
Management fees	1,846,759	1,716,019
Office and general	2,196,866	472,310
Business development	192,519	603,221
Amortization	99,731	309,198
	$ 5,850,497	$ 4,238,215

22. 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	2024	2023
Canada	$ 3,147,389	$ 1,372,883
Democratic Republic of Congo	15,964,676	7,653,231
	$ 19,112,065	$ 9,026,114

Net Loss	2024	2023
Canada	$ 3,732,614	$ 162,344
Democratic Republic of Congo	11,844,499	7,986,132
	$ 15,577,113	$ 8,148,476

23. CONTINGENCIES AND COMMITMENTS

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory, environmental and social requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty. Mineral interests are subject to annual fees, some of which are overdue (see note 8). Annual concession fees for 2024 are approximately $2,000,000.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the

(expressed in Canadian dollars)

23. CONTINGENCIES AND COMMITMENTS (continued)

Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company, from time to time, may be involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any ending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations.

The Company is a party to certain management contracts. These contracts contain clauses requiring additional payments of $150,000 on termination. As the triggering event has not taken place, the contingent payments have not been reflected in these financial statements. The minimum amount due within one year under these contracts is $150,000. In addition, the Company entered into various other agreements for services with minimum payments of $240,000 due in one year.

24. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate for 2024 and 2023 of 26.5% (2023 - 26.5%) to the effective tax rates is as follows:

	February 29, 2024	**February 28, 2023**
Net loss before recovery of income taxes	$ (15,577,113)	$ (8,148,476)
Expected income tax recovery based on statutory rate	(4,128,000)	(2,159,000)
Adjustment to expected income tax recovery:		
Non-deductible expenses and other	(1,135,000)	(805,000)
Change in tax benefits not recognized	5,263,000	2,964,000
Deferred income tax provision (recovery)	$ -	$ -

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

	February 29, 2024	February 28, 2023
Share issuance costs	$ 22,000	$ 90,000
Non-capital losses carried forward - Canada	50,133,000	30,431,000
Other temporary differences	820,000	593,000
	$ 50,975,000	$ 31,114,000

Congolese losses may be carried forward for an unlimited period, but may offset a maximum of 70% of the profit before tax in any year.

Canadian losses may be carried forward for 20 years and expire between 2032 and 2044.

24. INCOME TAXES (continued)

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

25. SUBSEQUENT EVENTS

On March 11, 2024, 500,000 common shares were issued on the exercise of 500,000 RSUs, by Mr. Simon Collins, a director of the Company.

On March 22, 2024, the Company settled interest owing (on the Afrimet Loan) in the amount of USD$1,084,915 ($1,464,635) with the issuance of 29,292,711 common shares at a price of $0.05 per Common Share. Afirmet and the Company had entered into a loan agreement on June 30, 2022, whereby Afrimet loaned a principal amount of USD$7,213,006, bearing an interest rate of 10% per annum.

Trade Cloud Services PTE Ltd. and the Company entered into a loan agreement on June 30, 2022 regarding a USD$3,000,000 loan made by Trade Cloud to the Company (the “Trade Cloud Loan Agreement”). An amended agreement has been signed by the parties on August 1, 2023 (the “Amending Agreement”). Effective March 31, 2024, Trade Cloud has requested to transfer by novation to SLC Asia Pte Ltd (“SLC”) and SLC agreed the transfer by novation of all the rights and obligations of Trade Cloud under and in respect of the Trade Cloud Loan Agreement and the Amending Agreement, in exchange for SLC’s assumption of the same obligations (the “Novation”). The Novation has also been approved by Glencore, with which the Company has a lithium offtake agreement and convertible securities facilities, and all requisite documents have been completed. Mr. Simon Collins, director of the Company, is the principal of SLC.

SLC and the Company amended the Trade Cloud Loan Agreement, effective on March 31, 2024, post-Novation, in order to extend the repayment date to July 31, 2024 and amend the interest rate to 12.5% per annum.

The Company entered into a tin offtake agreement as well as a revolving finance facility with Afrimet on January 13, 2023 and amended on May 23, 2023. In order to efficiently manage the export of tin to Afrimet, the Company decided to novate the Offtake Agreement, effective March 25, 2024 to its subsidiary United Cominiere SAS.

The Company entered into a grid promissory note with Afrimet on March 30, 2022, as further amended on August 1, 2023 (the “GPN**”)** to extend the maturity date to March 30, 2024 and amend the interest rate. Effective March 30, 2024, the parties agreed to amend the GPN for a second time in order to extend the maturity date to July 20, 2024 (the “Second Amending Agreement”), and to align this date with the maturity date of another grid promissory note entered into with AfriMet.

On May 6, 2024 the Company closed a first tranche closing of a non-brokered private placement for gross proceeds of $341,800 (USD$250,000) (the “Private Placement”) through the issuance of 9,765,714 common shares at a price of $0.035 per share. Mr. Simon Collins, a director of the Company, acquired all 9,765,714 common shares.

On May 27, 2024, the Company closed a second tranche closing of a non-brokered private placement for gross proceeds of $683,650 (USD$500,000) (the “Private Placement”) through the issuance of 19,532,857 common shares at a price of $0.035 per share. Mr. Simon Collins, a director of the Company, acquired all 19,532,857 common shares.

On June 12, 2024, the Company closed a third tranche closing of a non-brokered private placement for gross proceeds of $349,775 (USD$250,000) (the “Private Placement”) through the issuance of 9,993,571 common shares at a price of $0.035 per share. Mr. Simon Collins, a director of the Company, acquired all 9,993,571 common shares.