

# **TARTISAN NICKEL CORP.**



## **MANAGEMENT'S DISCUSSION AND ANALYSIS - Quarterly Highlights**

(Expressed in Canadian dollars, unless otherwise stated)

Dated August 31, 2020

**THREE MONTHS ENDED JUNE 30, 2020**

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**General**

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Tartisan Nickel Corp. (formerly "Tartisan Resources Corp") (the "Company" or "Tartisan") has been prepared as of August 31, 2020. This MD&A constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended June 30, 2020. This discussion should be read in conjunction with the Company's consolidated financial statements for the three months ended June 30, 2020. Those financial statements are prepared in accordance with International Financial Reporting Standards and Interpretations, (collectively "IFRS") as issued by the International Accounting Standards Board. The Company's presentation currency is the Canadian dollar. Reference herein of \$ is to Canadian dollars and reference of US\$ is to United States dollars.

The audit committee of the Company, consisting of two independent directors of the Board of Directors of the Company, has reviewed this MD&A pursuant to its charter and the Board of Directors has approved the disclosures contained herein.

**Forward Looking Information**

*Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Such forward-looking statements are subject to a number of risks and uncertainties, including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, delays in or failure to obtain governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors which affect this information, except as required by law.*

**Description of Business**

The Company is in the business of acquiring, exploring for and developing mineral properties in Canada and in Peru. Substantially all of the efforts of the Company are devoted to these business activities. The Company primarily operates through its wholly owned subsidiaries, Canadian Arrow Mines Limited ("Canadian Arrow") and Minera Tartisan Perú S.A.C. ("Minera Tartisan") which is incorporated in Perú.

The Company was receipted by the Ontario Securities Commission for a Final Prospectus dated November 23, 2011 in connection with an Initial Public Offering. The Company filed an Amended and Restated Prospectus (the "Prospectus") dated February 13, 2012 relating to the Initial Public Offering. The receipted Prospectus achieved the goal of making the Company a reporting issuer in the Provinces of Ontario, Alberta and British Columbia.

The Company is traded on the Canadian National Stock Exchange (now the Canadian Securities Exchange, "CSE") under the stock symbol "TN" as of September 13, 2012. The Company also trades on the Frankfurt Exchange under the stock symbol "A2D" and on the OTC Markets under the symbol "TTSRF".

*COVID-19*

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity

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of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the three months ended June 30, 2020, have not been adjusted to reflect their impact. The duration and impact of COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

While the Company for a period of time slowed business activities to ensure the safety of staff and consultants, the Company's operation has been able to continue moving forward on its exploration activities despite the significant global disruptions in business operations.

## **MINING PROJECTS**

### Kenbridge Nickel Project

The Kenbridge property is located in the north-central part of the Atikwa Lake area and the south-central part of the Fisher Lake Area, Kenora Mining Division, approximately 70 kilometres east-south east of the Town of Kenora, in northwestern Ontario, Canada. The property is accessible via gravel roads from paved Highway 71.

The Kenbridge Property is covered by patented and unpatented mining claims totaling 2,078.21 ha. Most of the property is covered by 93 contiguous Patented Mining Claims with mining and surface rights or only mining rights, and four Mining Licenses of Occupation with only mining rights. In addition there are three blocks of unpatented single cell mining claims containing a total of 33. The Kenbridge Deposit is covered by Patented Mining Claim PAT-5599.

The Archean Kenbridge Nickel Sulphide deposit (“Kenbridge Deposit”) occurs within a vertically dipping, lenticular gabbro and gabbro breccia with surface dimensions of greater than 250 metres strike length by up to 95 metres in width, and has been traced through historical drilling to greater than 700 metres in depth. The host volcanic rocks on the western side of the deposit are mostly composed of medium green, strongly foliated and sheared, tuffaceous units with fragments defined by a lensoid banding of matrix carbonate. Very fine-grained massive green rock, possibly a flow or well-indurated tuff, is given the field name of greenstone and occurs throughout the volcanic sequence. Volcanic rocks on the eastern side of the deposit are characterized by larger fragments and less foliation. Contacts between the mineralized gabbro and the enveloping volcanic rocks are marked by a variable thickness of talc schist (1-30 m). The talc may or may not be mineralized.

Underground development of the Kenbridge deposit extends from surface to a depth of 623 metres in a 3 compartment shaft, with 244 metres of drifts and 168 metres of crosscuts at the 110 and 150 metre levels. The minimum drill spacing is at 15.2 metres on all levels. The deepest hole extends to 838.4 metre depth and intersected mineralization grading 4.25% nickel and 1.38% copper over 10.7 metres, indicating that the deposit remains open at depth. Historical surface drilling was completed at 30.5 metre spacing.

The mineralized zone has a strike length of about 250 metres as indicated by drill data. This mineralization has been investigated in detail on two underground levels and with drilling to a depth of 823 metres. Mineralization (pyrrhotite, pentlandite, chalcopyrite ± pyrite) is found as massive to net-textured and disseminated sulphide zones, primarily in gabbro with lesser amounts in gabbro and talc schist. Nickel grades within the deposit are proportional to the total amount of sulphide with massive sulphide zones locally grading in excess of 6% Ni. Mineralization undergoes rapid changes in thickness and grades. At least three sub-parallel mineralized zones were intersected in the current drilling and range in thickness from 2.6 m to 17.1 m. Kenbridge is classified as a gabbro-related nickel sulphide deposit.

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The Stage 1 Plan is to evaluate and update the Kenbridge Project.

Budgeted expenditures total approximately \$200,000 to September 30, 2020. Tartisan management and geological staff are potentially visiting the Kenbridge site and will adhere to Provincial guidance. P & E Mining Consultants Inc. have been contracted to review the drill data, deposit modeling and historic P.E.A. in the context of updating corporate information and disclosure. An Aster Funds Ltd spectral analysis remote sensing study was completed in the spring of 2020 and follow up is necessary.

Sill Lake Silver Lead Project

In 2019, the Company completed the acquisition agreement with Klondike Bay Resources Limited to purchase a 100% interest in certain claims in Vankoughnet Township in the Sault Ste. Marie Mining District of Ontario.

The Sill Lake Claims are located approximately thirty (30) kilometres north-northeast of Sault Ste. Marie and eight (8) kilometres due east of Karalash Corners. The Sill Lake Property is comprised of twenty-two (22) contiguous Mining Claims totaling 584 hectares (5.84 sq. kms, including four (4) boundary claims).

In 2010, the then owners of the Sill Lake Property sold the property to Argentium Resources Inc. In 2012, this company announced results of three massive galena samples from the Sill Lake silver-lead vein, which returned between 5.4% to 8.4% lead; 2.4kg/t to 7.6 kg/t silver; 0.4% to 6.5% copper, and 0.31 g/t to 0.44 g/t gold. Tartisan Nickel Corp. undertook an Aster Funds Ltd spectral analysis and synthetic aperture radar remote sensing surveys during the quarter which involved a Target Vector Mineral (TVM) analysis of key indicator/pathfinder minerals for silver, gold and base metal exploration.

The Aster Funds Ltd surveys covered the single cell mining concessions equally, as well as the halves of the boundary cell claims and Expenditures of \$13,600 have been paid to date. A review of the results and a current update to corporate information is warranted with follow up to the survey results. A site visit is planned pending Provincial guidance. A \$40,000 budget for such corporate follow up and updates has been assigned to Sill Lake in 2020.

Don Pancho Manganese Silver Zinc Project

The Don Pancho Project is in a prolific polymetallic mineral belt in central Peru with several operating mines in the area including the world class Iscaycruz and Yauliyacu polymetallic mines operated by GlencoreXtrata Plc located 50 kilometers to the north-northwest. Additionally, Trevali Mining Corporation's Santander silver-lead-zinc mine is located 9 kilometers to the east and Buenaventura's silver-lead-zinc Uchucchacua mine is located 63 kilometers to the north, (10 million ounces of silver produced in 2011). Infrastructure is considered excellent with ready access and a power line crosses the property enroute to the Santander mine.

Previous exploration on the property included an extensive surface mapping and sampling program, geophysics, and a 2,021 metre diamond drilling program of 6 holes conducted by a private Peruvian company. Mapping and sampling shows an extensive NNW-SSE trending breccia zone measuring over 800 metres in length and 150 to 200 metres in width. There are numerous old workings and underground drifts located within this zone. The 2014 diamond drilling program by the previous owner shows large intersections of polymetallic mineralization, including 40 metres of 0.88% Zn, 0.40% Pb and 7.7 g/t Ag, 22.65 metres of 1.00% Zn, 0.26% Pb and 6.85 g/t Ag and 1.15 metres of 4.38% Zn, 3.25% Pb and 61.1 g/t Ag. Surface sampling from the previous operator has revealed very interesting values, including 13.9 metres of 28.1g/t Ag, 2.43% Pb, and 2.42% Zn, 2.8 metres of 28.1g/t Ag, 1.06% Pb, and 9.07% Zn and 13 metres of 8.38g/t Ag, 0.39% Pb, and 2.22% Zn. Sampling of underground workings in Yanapallaca area before the previous operators returned 106 g/t Ag, 3.26% Pb and 17.56% Zn over 2.00 metres.

Note that the true width of the mineralization both on the surface and in the underground workings cannot

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yet be determined as the controls of the mineralization are yet to be fully understood. The “Stage 1 Plan” is budgeted at \$20,000 and is expected to take four months. The immediate plan will be to obtain the necessary permits to drill targets identified from past exploration work. Tartisan has acquired the core and data for the Don Pancho mineral property.

Ichuña Silver Copper Project

On May 24, 2017, Tartisan completed the acquisition of the Ichuña copper-silver property located in the Department of Moquegua in Southern Peru. Tartisan entered into an agreement with Duran Ventures Inc. to acquire a 100 per cent interest in the Ichuña copper-silver property by paying Duran a cash payment CDN \$50,000 and issuing 500,000 shares. Duran retains a 2% NSR of which Tartisan may purchase half (1%) of the NSR for US\$500,000.

The Ichuña property is contiguous to the San Gabriel project owned by Peru’s largest mining company, Minas Buenaventura SAC (“Buenaventura”). The San Gabriel project was a blind discovery in 2008 and now is reported to contain a resource of 13 million tonnes at 5.26 g/t Au for 2.2 million ounces in the measured, indicated and inferred categories (source Buenaventura website 2017 corporate presentation page 15). Buenaventura consolidated its interest in the project by purchasing Goldfield’s interest in 2014 and revised the project from a large open pit operation to a more profitable underground operation. The main mineralized zone on the San Gabriel project is located just 3 kilometres from the property boundary with Tartisan.

The previous owner acquired the 1,000-hectare Ichuña Property in 2006 before the discovery at San Gabriel. Extensive high-grade surface Cu-Ag mineralization was initially observed by Duran geologists and was later followed up by a property wide geophysical survey in 2010. The work identified a large IP geophysical anomaly trending northwest-southeast measuring over 1,500 metres in length. The main mineralized zone on Buenaventura’s San Gabriel project, called the Canahuire Zone was a blind target with a strong geophysical response. Economic mineralization in the Canahuire zone does not outcrop at surface and follows a recessive area. The geophysical anomaly on Ichuña has similar characteristics to the Canahuire zone whereby the IP anomaly trends along a recessive area with no outcrop.

Historic work on the property by Duran included seven diamond drill holes totaling 2,754 metres. Drilling did not test the geophysical anomaly. Tartisan intends to test this anomaly with diamond drilling.

The Stage 1 Plan for Ichuna has been revised and includes further data analysis and drill hole targeting. The budget for the Stage 1 Plan is approximately \$15,000 in 2020. It is anticipated that these works will lead to a Stage 2 Plan including diamond drilling.

Currently, the Company has no mineral production revenue with either the Don Pancho or Ichuna mineral properties. Commercial development of any kind will only occur in the event that sufficient quantities of deposits containing economic concentrations of mineral resources are discovered. If in the future a discovery is made, substantial financial resources will be required to establish mineral reserves. Additional substantial financial resources will be required to develop mining and processing for any mineral reserves that may be discovered.

A summary of the exploration spending during the three months ended June 30, 2020 and March 31, 2020 is as follows:

	Sill Lake	Alexo	Kenbridge	Ichuna	Don Pancho	Total
<b>31-Mar-19</b>	-	-	<b>1,959,419</b>	<b>112,500</b>	<b>120,000</b>	<b>2,191,919</b>
Additions and acquisition costs	52,165	-	41,685			93,850
Sale		-				-
<b>31-Mar-20</b>	<b>52,165</b>	-	<b>2,001,104</b>	<b>112,500</b>	<b>120,000</b>	<b>2,285,769</b>
Additions	-		31,142			31,142
Sale						-
<b>30-Jun-20</b>	<b>52,165</b>	-	<b>2,032,246</b>	<b>112,500</b>	<b>120,000</b>	<b>2,316,911</b>

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**MARKETING AND PROMOTION**

Tartisan Nickel Corp. will continue to expose the Company's flagship Kenbridge Nickel Project to the marketplace as well as all projects under Tartisan's management. A new website is being developed to enhance our Corporate profile. Tartisan has contracted INN (Investing News Network) as well as Bull Market News Wire and Agoracom to provide market awareness.

**HIGHLIGHTS OF OPERATIONS**

For the three months ended June 30, 2020 compared to the three months ended June 30, 2019 the company saw an increase in net income of \$3,861,871. This is almost entirely the result of an unrealized gain on investments in Eloro and Class 1 of \$3,824,860 compared to a gain of \$60,457 in the prior period.

The Company also had a decrease in other operating expenditures of \$38,108 as a result of less activity in the quarter due to the global lockdowns imposed by governments from COVID-19.

**Financial Condition**

Liquidity

The Company's mineral exploration activities have been funded to date primarily through the issuance of common shares and advances from related parties, and the Company expects that it will continue to be able to utilize these sources of financing until it develops cash flow from mining operations. However, there can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and to eventually forfeit or sell its interests in its properties.

For the three months ended June 30, 2020, the Company incurred a net income of \$3,742,789 (three months ended June 30, 2019 loss - \$119,082) and had negative operating cash flows of \$35,095 (June 30, 2019 - cash flow of \$(191,423)). The Company has an accumulated deficit of \$2,707,876 since inception (March 31, 2020 - \$6,450,665). This raises material uncertainties which may cast significant doubt as to the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financing's or through other arrangements. While the Company has been successful in arranging financing in the past, there can be no assurance the debt financing or any equity offering will be successful. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

At present, the Company's business operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits as well as the success of the La Victoria project. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity financings. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. If the Company is unable to raise sufficient financing it may need to scale-back its intended exploration program and its other expenses.

**Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

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**Related Party Transactions**

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company paid or accrued the following amounts to related parties of the Company as defined as directors, management, and companies controlled by directors and management or companies having common directors during the three months ended June 30, 2020 and June 30, 2019:

Nature of Transaction	Three months ended	
	30-Jun	
	2020	2019
Chief Financial Officer Services	\$ 17,361	\$ 5,417
Consulting and management fees	36,000	25,000
Director fees	9,000	9,000

As of June 30, 2020, accounts payable and accrued liabilities include \$46,133 (March 31, 2020 - \$40,236) due to these related parties.

Amounts due from related parties are due from a senior advisor of the Company and Company's controlled by senior advisors to the Company, and bears interest at 2.5% per annum, due on demand and secured by specific investment holdings held by the borrower.

**Recent Accounting Pronouncements**

*Accounting standard adopted during the year*

IFRS 16, Leases. In January 2016, the IASB issued the final publication of the IFRS 16 standard, which will supersede the current IAS 17, Leases (IAS 17) standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019. The Company has adopted this policy in the three months ended June 30, 2020 and there was no material impact.

*Accounting standard not yet adopted*

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs

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- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

This amendment is effective for annual periods beginning on or after January 1, 2020. The extent of the impact of adoption of this amendment has not yet been determined.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

**Share Capital**

During the three months ended June 30, 2020, 1,000,000 stock options were exercised by a Director of the Company for \$0.07.

During the three months ended June 30, 2020, the Company issued 40,000 common shares at \$0.05 per common share for aggregate gross an aggregate gross service value of \$8,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

	<b>Amount</b>	<b>Exercise (\$)</b>	<b>Expiry</b>
Stock Options Outstanding	1,700,000	0.07	7-Jun-21
Shares Outstanding	101,462,391	-	-
Warrants Outstanding	-	-	-

**Investment and Opportunities**

The Company is continually reviewing potential investments and opportunities in Canada and in Peru and elsewhere that could enhance shareholder value of the Company.

Other than already disclosed in the consolidated financial statements or the MD&A herein, at present time there are no transactions being contemplated by management or the board that would affect the financial condition, results of operations and cash flows of any asset of the Company other than what has been previously discussed in this MD&A.

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**Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the year ended December 31, 2019, available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Officers and Directors**

As of the date hereof the current Officers and Directors of the Company are:

D. Mark Appleby	- Director, President and CEO and Secretary
Aamer Siddiqui, CPA, CA	- Chief Financial Officer
Douglas Flett, J.D.	- Director
Yves Clement, P. Geo	- Director

Luc Pigeon B.Sc., M.Sc., P. Geo is the Qualified Person for Minera Tartisan Peru SAC. under NI 43-101.

James Steel, MBA, P. Geo is a Qualified Person for Tartisan Nickel

**Additional Information**

Additional information about the Company, including financial statements, press releases and other filings, are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company's website is [www.tartisannickel.com](http://www.tartisannickel.com).