
TARTISAN NICKEL CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
DECEMBER 31, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Tartisan Nickel Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Tartisan Nickel Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

As at,	December 31, 2023	March 31, 2023
ASSETS		
<i>Current</i>		
Cash	\$ 96,750	\$ 5,275
Government remittances receivable	182,298	122,345
Due from related parties and others (note 9)	1,808,711	1,349,453
Prepaid expenses and deposits (note 4)	90,096	231
Investments (note 5)	2,426,551	3,554,973
Total current assets	4,604,406	5,032,277
<i>Non-current</i>		
Mineral properties (note 3)	9,389,234	9,938,797
Total assets	\$ 13,993,640	\$ 14,971,074
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (notes 9 and 11)	\$ 364,482	\$ 353,324
Bank overdraft	-	5,042
Flow-through liability (note 11)	238,235	69,132
Total liabilities	602,717	427,498
SHAREHOLDERS' EQUITY		
Share capital (note 6)	12,743,557	11,627,873
Contributed surplus (note 7)	1,859,598	1,859,598
Warrants (note 8)	391,535	1,296,685
Foreign translation reserve	90,620	86,528
Deficit	(1,694,387)	(327,108)
Total shareholders' equity	13,390,923	14,543,576
Total shareholders' equity and liabilities	\$ 13,993,640	\$ 14,971,074

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)
 Commitments and contingencies (note 11)
 Subsequent event (note 13)

Approved on behalf of the Board:

D. Mark Appleby Director

Douglas Flett Director

Tartisan Nickel Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars)

Unaudited

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
Operating expenses				
Management and consulting fees (note 9)	\$ 85,225	\$ 41,811	\$ 211,039	\$ 232,315
Director fees (note 9)	27,000	27,000	81,000	81,000
Foreign exchange loss (gain)	(3,038)	3,171	(2,136)	(318)
Interest and accretion	1,033	394	1,808	4,059
Marketing and promotion	220,920	79,367	232,215	192,740
Office, general and administration	(9,587)	12,544	117,375	100,923
Professional fees (note 9)	42,804	41,263	112,382	139,932
OEFA Peruvian garnishment (note 11)	-	-	189,138	-
	(364,357)	(205,550)	(942,821)	(750,651)
Other items				
Expired investment warrants (note 5)	-	(80,015)	-	(80,015)
Flow-through amortization	61,784	3,983	69,132	3,983
Gain on debt settlement (note 6)	55,350	-	55,350	-
Unrealized gain (loss) on investments (note 5)	360,677	988,003	(389,110)	(2,710,656)
Loss on sale of investments (note 5)	(285,033)	(781,616)	(1,064,980)	(1,943,417)
Net loss for the period	(171,579)	(75,195)	(2,272,429)	(5,480,756)
Other comprehensive income (loss)				
Translation difference on foreign operations	-	22	4,092	(1,463)
Total comprehensive loss for the period	\$ (171,579)	\$ (75,173)	\$ (2,268,337)	\$ (5,482,219)
Total comprehensive loss per share				
- Basic and diluted (note 10)	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.05)
Weighted average number of common shares outstanding				
- Basic and diluted (note 10)	114,068,771	111,671,661	113,600,996	109,838,843

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Tartisan Nickel Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine Months Ended December 31,	
	2023	2022
Operating activities		
Net loss for the period	\$ (2,272,429)	\$ (5,480,756)
<i>Items not affecting cash:</i>		
Gain on debt settlement	(55,350)	-
Expired investment warrants	-	80,015
Flow-through amortization	(69,132)	(3,983)
Loss on sale of investments	1,064,980	1,943,417
Unrealized revaluation loss on investments	389,110	2,710,656
Foreign exchange gain (loss)	1,055	(1,464)
<i>Changes in non-cash working capital items:</i>		
Government remittances receivable	(59,953)	190,002
Prepaid expenses and deposits	(89,865)	20,673
Accounts payable and accrued liabilities	198,695	(377,642)
Bank overdraft	(5,042)	-
Net cash used in operating activities	(897,931)	(919,082)
Investing activities		
Addition of mineral properties	(800,437)	(2,166,038)
Proceeds from sale of investments	648,508	2,512,609
Purchase of investments	(124,176)	(928,676)
Electric Royalties	500,000	-
Net cash provided by (used in) investing activities	223,895	(582,105)
Financing activities		
Proceeds from private placement (net of issuance costs)	1,350,000	1,688,887
Normal course issuer bid share repurchase (note 6(b)(i)(iii))	(125,231)	(59,838)
Net advances to related parties	(459,258)	(494,642)
Net cash provided by financing activities	765,511	1,134,407
Net change in cash	91,475	(366,780)
Cash, beginning of period	5,275	385,565
Cash, end of period	\$ 96,750	\$ 18,785

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Tartisan Nickel Corp.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
Unaudited

	Number of shares	Share capital	Contributed Surplus	Warrants	Foreign translation reserve	Retained earnings (deficit)	Total
Balance, March 31, 2022	108,922,503	\$ 10,163,134	\$ 1,859,598	\$ 1,484,839	\$ 84,175	\$ 5,351,244	\$ 18,942,990
Private placement, net of issuance costs (note 6)	5,615,625	1,524,577	-	87,830	-	-	1,612,407
Normal course issuer bid	(241,000)	(59,838)	-	-	-	-	(59,838)
share repurchase (note 6)	-	-	-	(275,984)	-	-	(275,984)
Warrants exercised	-	-	-	-	(1,463)	-	(1,463)
Exchange difference on foreign operations	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(5,480,756)	(5,480,756)
Balance, December 31, 2022	114,297,128	\$ 11,627,873	\$ 1,859,598	\$ 1,296,685	\$ 82,712	\$ (129,512)	\$ 14,737,356
Balance, March 31, 2023	114,297,128	\$ 11,627,873	\$ 1,859,598	\$ 1,296,685	\$ 86,528	\$ (327,108)	\$ 14,543,576
Private placement (note 6)	7,941,176	1,350,000	-	-	-	-	1,350,000
Flow-through premium	-	(238,235)	-	-	-	-	(238,235)
Shares issued for debt settlement	922,500	129,150	-	-	-	-	129,150
Normal course issuer bid	(1,191,800)	(125,231)	-	-	-	-	(125,231)
share repurchase (note 6)	-	-	-	(905,150)	-	905,150	-
Warrants expired (note 8)	-	-	-	-	4,092	-	4,092
Exchange difference on foreign operations	-	-	-	-	-	(2,272,429)	(2,272,429)
Net loss for the period	-	-	-	-	-	-	-
Balance, December 31, 2023	121,969,004	\$ 12,743,557	\$ 1,859,598	\$ 391,535	\$ 90,620	\$ (1,694,387)	\$ 13,390,923

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2023

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Nature of business

Tartisan Nickel Corp. ("Tartisan" or the "Company") was incorporated on March 18, 2008 under the Business Corporations Act (Ontario). The Company's registered office is at 44 Victoria Street, Suite 1102, Toronto, Ontario, M5C 1Y2. The Company is listed on the Canadian Securities Exchange ("CSE"), trading under the symbol "TN", on the Frankfurt Exchange under the stock symbol "8TA" and on the OTCQX International Markets under the symbol "TTSRF".

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 ability of the Company to carry out its business plan rests with its ability to achieve profitable business operations, to secure equity and other financing.

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.

Going concern uncertainty

At each reporting period, management assesses the basis of preparation of the financial statements. These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These unaudited condensed interim consolidated financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the nine months ended December 31, 2023, the Company had net comprehensive loss of \$2,268,337 (nine months ended December 31, 2022 - \$5,482,219) and working capital of \$4,001,689 (March 31, 2023 - \$4,604,779). As at December 31, 2023, the Company has accumulated deficit of \$1,694,387 (March 31, 2023 - \$327,108). 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.

As at December 31, 2023, management has forecasted the Company will have sufficient cashflow to meet all planned development and general expenses for the next twelve months. The Company plans to raise additional capital to further develop and explore its projects, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment. The above factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended December 31, 2023
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1. Nature of operations and going concern (continued)

There are numerous risks involved in the mineral exploration industry. The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether. The success of the operations and activities are dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of outside contractors, experts and other advisors.

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. Accordingly, these unaudited condensed interim consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these unaudited condensed interim consolidated financial statements.

2. Basis of preparation

Statement of compliance

The Company applies IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("Interpretations Committee").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by the Interpretations Committee.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of February 29, 2024, the date the Board of Directors approved the statements.

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended March 31, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis and presented in Canadian dollars.

Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Canadian Arrow Mines Limited ("Canadian Arrow"), Kenbridge Nickel Mines Limited, and Minera Tartisan Perú S.A.C., which is incorporated in Peru. All significant inter-company transactions have been eliminated upon consolidation.

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended December 31, 2023
(Expressed in Canadian Dollars)
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2. Basis of preparation (continued)

New standards adopted

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.

The Company adopted the amendment to IAS 1 on April 1, 2023, there was no significant impact as a result of the adoption of the accounting policy.

New standards not yet adopted

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.

3. Mineral properties

	Sill Lake	Kenbridge	Don Pancho	Total
March 31, 2022	\$ 193,587	\$ 7,140,653	\$ 191,745	\$ 7,525,985
Additions and acquisitions	55,012	2,319,853	37,947	2,412,812
March 31, 2023	248,599	9,460,506	229,692	9,938,797
Additions	-	800,437	-	800,437
Electric Royalties Ltd option	-	(1,350,000)	-	(1,350,000)
December 31, 2023	\$ 248,599	\$ 8,910,943	\$ 229,692	\$ 9,389,234

Don Pancho Property

On March 30, 2017, Tartisan completed the acquisition of the Don Pancho polymetallic zinc-lead-silver manganese project in Peru.

Tartisan acquired a 100% undivided interest in the Don Pancho property by paying \$50,000 and issuing 500,000 common shares valued at \$0.14 per share totaling \$70,000. Upon completion of 5,000 metres of drilling and/or underground development a further 150,000 shares are payable, and if a NI 43-101 compliant resource is published, a further 150,000 shares are payable, and if the Company loses control of the Don Pancho project either by sale or joint-venture, a further 200,000 shares are payable. Duran Ventures will retain a 2% net smelter return royalty, of which half (1%) can be purchased by Tartisan for US\$500,000.

The Don Pancho polymetallic project is located in the Province of Huaral, in the Department of Lima Peru, 105 kilometres north-northeast of Lima, comprising one concession of 600 hectares and located approximately between 3,660 meters and 4,487 meters above sea level. A Technical Report on the Don Pancho Polymetallic Project (Zn, Pb,Ag,Mn) NI 43-101 has been filed on Duran Ventures SEDAR profile (2014).

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2023

(Expressed in Canadian Dollars)

Unaudited

3. Mineral properties (continued)

Kenbridge Property

The Company acquired its Kenbridge property in fiscal 2018 as part of the acquisition of its wholly-owned subsidiary Canadian Arrow. 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.

As at March 31, 2021, the Company has 85 staked units covering 1,782.36 ha in the Turtle Pond Area in Northwestern Ontario, approximately 40 km south of Dryden, Ontario in the Turtle Pond and Ukik Lake area. The Company initially acquired 16 claim units on October 27, 2020, from Night Danger, staked 65 units, and acquired 4 claim units for cash payment of \$1,400 on February 16, 2022. These claims are owned 100% by Tartisan Nickel Corps. wholly owned subsidiary Canadian Arrow Mines Limited.

On February 24, 2022, the Company announced that it acquired an additional 27 claims contiguous to the Kenbridge Property. The claims were acquired as part of the Company's strategy to assess promising environments on strike of the Kenbridge Nickel Deposit. The Company has acquired a 100% interest subject to a 1.5% NSR, with the right to buy 0.5% back for \$200,000. The Kenbridge property is now comprised of patented and unpatented mining claims totaling 4,108.42 ha.

On April 27, 2023, the Company announced that it has closed the grant to Electric Royalties Ltd. a 0.5% gross revenue royalty ("GRR") on six mining patents located on the wholly-owned Kenbridge Nickel Project, Kenora Mining District, Ontario, Canada (note 4). The Company received cash consideration of \$500,000 and 2,500,000 common shares of Electric Royalties Ltd., (the "Transaction"), the approximate market value of the Transaction was \$1,350,000. Electric Royalties will also have the option, for a period of 18 months, to acquire a further 0.5% GRR on the six mining patents for an additional \$1,750,000 cash consideration. In addition, Electric Royalties will have an option to acquire a 1% GRR on certain mining claims, mining leases and mineral tenures comprising the Kenbridge North Nickel Project for \$1,000,000 cash, at any time during a period of 24 months from the date that Tartisan publishes an initial technical report in respect of the Kenbridge North Project which is prepared in accordance with National Instrument 43-101 and which contains an estimate of Inferred Mineral Resources.

Sill Lake Property

During the year ended March 31, 2020, the Company completed the acquisition agreement with Klondike Bay Resources Limited to purchase a 100% interest in certain claims in the Sault Ste. Marie Mining District of Ontario. The claims are located in Vankoughnet Township, Sault Ste. Marie Mining District, Ontario, and the purchase terms call for a total cash payment of \$15,000; issuance of 700,000 common shares of the Company and a 2% net smelter return royalty (subject to a 1% buy-back provision for \$250,000).

During the year ended March 31, 2021, the Company purchased a 100% interest in certain claims in the Sault Ste. Marie Mining District in Ontario to complete the Sill Lake lead-silver property package. The Company paid a cash payment of \$75,000; issued 100,000 common shares of the Company, and a 2% net smelter return royalty (subject to a 1% buy-back provision for \$250,000) has been paid and assigned in consideration to the vendors.

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2023

(Expressed in Canadian Dollars)

Unaudited

4. Prepaid expenses and deposits

	December 31, 2023	March 31, 2023
Prepaid expenses	\$ 90,000	\$ -
Share repurchase deposits	96	231
Total	\$ 90,096	\$ 231

5. Investments

	December 31, 2023	March 31, 2023
Class 1 Nickel & Technologies Limited	\$ 11,745	\$ 1,268,438
Peruvian Metals Corp. - Common shares	2,108,520	2,275,335
Silverbullet Mines Inc. - Warrants	36	1,405
Advanced United Holdings Inc. - Common shares	-	9,795
Electric Royalties Limited - Common shares	306,250	-
Total	\$ 2,426,551	\$ 3,554,973

Eloro Resources Limited

As at December 31, 2023, the Company had nil% (March 31, 2023 – nil%) of the outstanding common shares of Eloro. Tartisan did not exert significant influence on Eloro since it did not have representation on the Board of Directors, did not participate in management or decision-making processes, did not share in any management personnel and there are no material business dealings or transactions between the Tartisan and Eloro. During year ended March 31, 2023, the Company disposed of the common shares of Eloro. Before the disposition the common shares were treated as a financial asset classified at FVPTL.

The investments in common shares were considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Eloro. During the nine months ended December 31, 2023, the Company sold nil (December 31, 2022 - 412,600) common shares and recognized a loss on the sale of \$nil (nine months ended December 31, 2022 - \$679,813).

Class 1 Nickel & Technologies Limited

The common shares of Class 1 Nickel & Technologies Limited ("Class 1") were acquired by Tartisan for investment purposes and depending on market and other conditions, it may from time to time in the future increase or decrease its ownership, control or direction over securities of Class 1 through market transactions, private agreements, or otherwise. The total shares owned by the Company represents a minority interest of the total issued and outstanding shares of Class 1. Therefore, the Company is accounting for the common shares of Class 1 Nickel & Technologies Limited as a financial asset classified at FVPTL.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Class 1, an unrealized loss of \$10,620 has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023 (nine months ended December 31, 2022 - an unrealized loss of \$1,005,978).

During the nine months ended December 31, 2023, the Company sold 8,376,500 (December 31, 2022 - 219,500) common shares and recognized a loss on the sale of \$885,656 (December 31, 2022 - \$19,212).

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended December 31, 2023
(Expressed in Canadian Dollars)
Unaudited

5. Investments (continued)

Peruvian Metals Corp.

The Common shares of Peruvian Metals Corp. ("Peruvian") were acquired by Tartisan for investment purposes and depending on market and other conditions, it may from time to time in the future increase or decrease its ownership, control or direction over securities of Peruvian through market transactions, private agreements, or otherwise.

As at December 31, 2023, the Company had 26.42% (March 31, 2023 – 24.46%) of the outstanding common shares of Peruvian, Tartisan does not exert significant influence on Peruvian since it does not have representation on the Board of Directors, does not participate in management or decision-making processes, does not share in any management personnel and there are no material business dealings or transactions between Tartisan and Peruvian. The investment is not a strategic investment in Peruvian, as the Company continuously sells the shares to meet cash flow requirements. Therefore, the Company is accounting for the common shares of Peruvian as a financial asset classified at FVTPL.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Peruvian an unrealized loss of \$258,371 has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023 (nine months ended December 31, 2022 - unrealized loss of \$1,392,537).

The investments in warrants are considered a Level 2 in the fair value hierarchy. During the year ended March 31, 2023, the warrants expired unexercised. As a result of changes in the fair market value of the shares held in Peruvian an unrealized loss of \$nil has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023 (nine months ended December 31, 2022 - unrealized gain of \$nil).

During the nine months ended December 31, 2023, the Company sold 219,500 (December 31, 2022 - nil) common shares and recognized a loss on sale of \$6,340 (nine months ended December 31, 2022 - loss of \$nil).

Advanced United Holdings Inc.

The common shares of Advanced United Holdings Inc. ("Advanced United") were acquired by Tartisan for investment purposes and depending on market and other conditions, it may from time to time in the future increase or decrease its ownership, control or direction over securities through market transactions, private agreements, or otherwise.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Advanced United an unrealized loss of \$nil (nine months ended December 31, 2022 - \$27,433) has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023.

During the nine months ended December 31, 2023, the Company sold 653,000 (December 31, 2022 - 156,000) common shares and recognized a gain on sale of \$3,237 (nine months ended December 31, 2022 - loss of \$2,199).

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)
Unaudited

5. Investments (continued)

Silverbullet Mines Inc.

During year ended March 31, 2023, the Company disposed of the common shares of Silverbullet. While the Company held shares of Silverbullet, it did not exert significant influence on Silverbullet since it did not have representation on the Board of Directors, did not participate in management or decision-making processes, did not share in any management personnel and there were no material business dealings or transactions between the Tartisan and Silverbullet. Therefore, the Company accounted for the common shares of Silverbullet as a financial asset classified at FVPTL.

The investments in common shares are considered to be Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Silverbullet an unrealized loss of \$nil has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023 (nine months ended December 31, 2022 - unrealized loss of \$140,151).

The investments in warrants are considered and transferred to Level 2 in the fair value hierarchy. During the nine months ended December 31, 2023, 250,000 warrants expired unexercised. As a result of changes in the fair market value of the shares held in Silverbullet an unrealized loss of \$1,369 has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023 (nine months ended December 31, 2022 - unrealized loss of \$157,051). The fair value of the warrants as at December 31, 2023 was calculated using the Black Scholes pricing model with the following weighted average assumptions: (i) dividend yield of 0%; (ii) expected volatility of 127.5%; (iii) risk free rate of 4.83%; and (iv) with an expected life of 0.25 years.

During the nine months ended December 31, 2023, the Company sold nil (December 31, 2022 - 4,734,000) common shares and recognized a loss on sale of \$nil (nine months ended December 31, 2022 - \$1,242,193).

New Break Resources Inc.

During year ended March 31, 2023, the Company disposed of the common shares of New Break. Tartisan did not exert significant influence on New Break since it did not have representation on the Board of Directors, did not participate in management or decision-making processes, did not share in any management personnel and there were no material business dealings or transactions between the Tartisan and New Break. Therefore, the Company accounted for the common shares of New Break as a financial asset classified at FVPTL. There were no changes in the fair market value of the shares during the nine months ended December 31, 2022.

As a result of changes in the fair market value of the shares held in New Break an unrealized loss of \$nil (nine months ended December 31, 2022 - \$20,107) has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023.

Cartier Silver Corp.

The common shares of Cartier Silver Corp. ("Cartier Silver") were acquired by Tartisan for investment purposes and depending on market and other conditions, it may from time to time in the future increase or decrease its ownership, control or direction over securities through market transactions, private agreements, or otherwise.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Cartier Silver an unrealized loss of \$nil (nine months ended December 31, 2022 - \$32,601) has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023.

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended December 31, 2023
(Expressed in Canadian Dollars)
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5. Investments (continued)

Electric Royalties Limited.

On April 27, 2023, the Company received cash consideration of \$500,000 and 2,500,000 common shares of Electric Royalties Ltd ("Electric") for a 0.5% gross revenue royalty on six mining patents located on the wholly-owned Kenbridge Nickel Project, Kenora Mining District, Ontario, Canada. Tartisan does not exert significant influence on Electric since it does not have representation on the Board of Directors, does not participate in management or decision-making processes, does not share in any management personnel and there are no material business dealings or transactions between the Tartisan and Electric going forward. Therefore, the Company is accounting for the common shares of Electric as a financial asset classified at FVPTL.

The investments in common shares are considered to be Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Electric an unrealized loss of \$118,750 has been recorded in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the nine months ended December 31, 2023 (nine months ended December 31, 2022 - \$nil).

During the nine months ended December 31, 2023, the Company sold 1,250,000 (December 31, 2022 - nil) common shares and recognized a loss on the sale of \$176,221 (December 31, 2022 - \$nil).

Fair value hierarchy

Financial instruments recorded at fair value on the unaudited condensed interim consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2023 and March 31, 2023.

	Level 1	Level 2	Level 3	Total
December 31, 2023 - Investments	\$ 2,426,515	\$ 36	\$ -	\$ 2,426,551
March 31, 2023 - Investments	\$ 3,553,568	\$ 1,405	\$ -	\$ 3,554,973

6. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

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6. Share capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance, March 31, 2022	108,922,503	\$ 10,163,134
Units issued on private placement (ii)	5,615,625	1,797,000
Value of warrants issued on private placement (ii)	-	(87,830)
Finance costs (ii)	-	(108,113)
Flow-through premium (ii)	-	(76,480)
Normal course issuer bid share repurchase (i)	(241,000)	(59,838)
Balance, December 31, 2022	114,297,128	\$ 11,627,873
Balance, March 31, 2023	114,297,128	\$ 11,627,873
Units issued on private placement (iv)	7,941,176	1,350,000
Flow-through premium (iv)	-	(238,235)
Settlement of debt (v)	922,500	129,150
Normal course issuer bid share purchase (iii)	(1,191,800)	(125,231)
Balance, December 31, 2023	121,969,004	\$ 12,743,557

i) During the nine months ended December 31, 2022, the Company repurchased 241,000 common shares for \$59,838 as part of the normal course issuer bid share purchase.

ii) On November 16, 2022, the Company closed a private placement by issuing a total of 5,615,625 units at \$0.32 per unit for gross proceeds of \$1,797,000. Each unit consisted of one flow-through share and one-half of one warrant, with each full warrant exercisable into one common share at an exercise price of \$0.70 expiring 18 months from the date of issuance. The Company recorded a flow-through premium of \$76,480, paid finders commission and closing fees of \$108,113 and issued 263,906 brokers warrants, with an exercise price of \$0.70. The fair value of the broker warrants granted was \$7,465 and the fair value of the warrants granted was \$80,365. The fair value of the warrants and broker warrants was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 68.3%; (iii) risk free rate of 3.84%-3.97%; and (iv) with an expected life of 1.5 years; and (v) share price of \$0.27-\$0.29.

iii) During the nine months ended December 31, 2023, the Company repurchased 1,191,800 common shares for \$125,231 as part of the normal course issuer bid share purchase.

iv) On December 21, 2023, the Company closed a private placement by issuing a total of 7,941,176 flow-through shares at a price of \$0.17 per share for gross proceeds of price of \$1,350,000. The Company recorded a flow-through premium of \$238,235, and paid no commission or agent fees on the closing.

v) On December 21, 2023, the Company issued 922,500 shares for debt, extinguishing \$184,500 in debt. The Company's recorded a gain on settlement of debt \$55,350.

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7. Stock options

On October 19, 2020, the Company's stock option plan (the "Option Plan") was approved by the Shareholders of the Company. Pursuant to the terms of the Option Plan, the Board of Directors (the "Board") may designate directors, officers, employees and consultants of the Company eligible to receive options to acquire such numbers of common shares as the Board may determine, each option so granted being for a term specified by the Board up to a maximum of five years from the date of grant. The maximum number of common shares reserved for issuance for options granted under the Option Plan at any time is 10% of the issued and outstanding common shares of the Company.

	Number of stock options	Weighted average exercise price
Balance, March 31, 2022 and December 31, 2022	5,700,000	\$ 0.44
Balance, March 31, 2023 and December 31, 2023	5,700,000	\$ 0.44

The following table reflects the stock options issued and outstanding as at December 31, 2023:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
September 20, 2025	0.35	1.72	3,700,000	3,700,000
July 13, 2026	0.60	2.53	2,000,000	2,000,000
Total	0.44	2.00	5,700,000	5,700,000

8. Warrants

	Number of warrants	Weighted average exercise price
Balance, March 31, 2022	5,595,514	\$ 0.77
Issued (note 6(b)(ii))	3,071,898	0.70
Expired	(1,325,581)	0.59
Balance, December 31, 2022	7,341,831	\$ 0.77
Balance, March 31, 2023	7,341,831	\$ 0.77
Expired	(4,269,933)	0.82
Balance, December 31, 2023	3,071,898	\$ 0.70

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8. Warrants (continued)

The following table reflects the share purchase warrants issued and outstanding as at December 31, 2023:

Expiry date	Remaining contractual life (years)	Number of warrants outstanding	Exercise price (\$)
May 16, 2024	0.38	2,453,929	0.70
May 18, 2024	0.38	617,969	0.70
		3,071,898	

9. 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 and nine months ended December 31, 2023 and December 31, 2022:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Chief Financial Officer fees	7,790	16,907	31,450	31,688
Consulting and management fees	51,000	51,000	153,000	153,000
Director fees	27,000	27,000	81,000	81,000

As at December 31, 2023, accounts payable and accrued liabilities include \$112,535 (March 31, 2023 - \$84,353) due to these related parties.

As at December 31, 2023, the Company had a loan due from an advisor (a former Chief Executive Officer) \$187,134 (March 31, 2023 - \$187,134), this amount is included in amounts due from related parties and others. The loan is due on demand, non-interest bearing and is secured by a general security agreement giving the Company first charge on all assets of Moretti Investments Ltd.

As at December 31, 2023, the Company has a loan due from a Director of the Company of \$1,621,577 (March 31, 2023 - \$1,162,319), this amount is included in amounts due from related parties and others. The loan is due on demand, unsecured, and non-interest bearing.

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10. Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted income per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same, as the inclusion of stock options and warrants is anti-dilutive.

For the three and nine months ended December 31, 2023, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$171,579 and \$2,272,429, respectively (December 31, 2022 - \$75,195 and \$5,480,756, respectively) and the weighted average number of common shares outstanding of 114,068,771 and 113,600,996, respectively (December 31, 2022 - 111,671,661 and 109,838,843, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

11. Commitments and contingencies

The Company was required to incur qualifying expenditures of \$1,797,000 by December 31, 2023 as part of the flow-through funding agreement. As at December 31, 2023, the Company estimates that it no longer has any obligations for this flow-through issuance, as it has incurred \$1,797,000 in qualifying expenditures.

The Company is required to incur qualifying expenditures of \$1,350,000 by December 31, 2024, as part of the flow-through funding agreement. As at December 31, 2023, the Company has spent \$nil related to the flow-through funding agreement. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants.

The Company is subject to various administrative procedures and potential disputes under various Peruvian laws and regulations with the Supervisory Agency for Environmental Protection (OEFA). As at December 31, 2023, the Company accrued \$186,101 (519,781 soles) for fines and interest levied by the OEFA.

12. Segmented disclosure

As at December 31, 2023	Peru	Canada	Total
Current assets	\$ 1,412	\$ 4,602,994	\$ 4,604,406
Non-current assets	\$ 229,692	\$ 9,159,542	\$ 9,389,234
For the nine months ended December 31, 2023			
Net loss	\$ (189,404)	\$ (2,083,025)	\$ (2,272,429)
As at March 31, 2023	Peru	Canada	Total
Current assets	\$ 1,412	\$ 5,030,865	\$ 5,032,277
Non-current assets	\$ 229,692	\$ 9,709,105	\$ 9,938,797
For the nine months ended December 31, 2022			
Net loss	\$ (7,322)	\$ (5,473,434)	\$ (5,480,756)

13. Subsequent event

On January 5, 2024, the Company announced that it has settled the claim and counter claim with Belgravia Hartford Capital Inc. ("Belgravia"). Belgravia will no longer seek to nominate a director to Tartisan Nickel Corp. and will not seek to collect any amounts in connection with the management services agreement. Belgravia's claim against Tartisan Nickel Corp., D. Mark Appleby and Tartisan's counterclaim against Belgravia have been dismissed.