TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars, unless otherwise stated)
(UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2014

**Notice of no auditor review of the condensed interim consolidated financial statements**

The Company's independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2014

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TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(UNAUDITED)

| | September 30, 2014 | March 31, 2014 (audited) |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash | $ - | $ 17,286 |
| Accounts receivable | - | 900 |
| Prepaid expenses | - | 3,095 |
| | - | 21,281 |
| MINERAL PROPERTIES (note 7) | 171,646 | 224,502 |
| MACHINERY AND EQUIPMENT (note 5) | 6,133 | 6,894 |
| | $ 177,779 | $ 252,677 |
| **LIABILITIES** | | |
| CURRENT | | |
| Accounts payable and accrued liabilities (notes 9) | $ 315,924 | $ 249,165 |
| Due to related parties (note 6) | 42,364 | 55,364 |
| Notes payable (note 4) | 93,020 | 92,633 |
| | 451,308 | 397,162 |
| **SHAREHOLDERS' DEFICIENCY** | | |
| SHARE CAPITAL (note 8 (a)) | 3,658,291 | 3,658,291 |
| UNITS AND SHARES TO BE ISSUED (note 8 (a)) | 26,250 | 8,750 |
| RESERVE FOR WARRANTS (note 8 (b), (c)) | - | 3,940 |
| RESERVE FOR SHARE-BASED PAYMENTS (note 8 (d)) | 179,247 | 179,247 |
| CONTRIBUTED SURPLUS (note 8 (a)) | 333,495 | 329,555 |
| FOREIGN CURRENCY TRANSLATION RESERVE | ( 32,909) | ( 30,691) |
| DEFICIT | ( 4,437,903) | ( 4,293,577) |
| | ( 273,529) | ( 144,485) |
| | $ 177,779 | $ 252,677 |

NATURE OF OPERATIONS AND GOING CONCERN CONSIDERATIONS (note 1)
EVENTS AFTER THE REPORTING DATE (note 19)

Approved by the Board:

(Signed) "*Paul Ankcorn*", Director

(Signed) "*D. Mark Appleby*", Director

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

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(UNAUDITED)

| | For the three months ended | | For the six months ended | |
|---|---|---|---|---|
| | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 |
| EXPENSES | | | | |
| Management and consulting fees (note 9) | $ 45,523 | $ 13,048 | $ 86,023 | $ 51,548 |
| Depreciation | 283 | 333 | 566 | 666 |
| Directors fees (note 9) | 12,000 | - | 24,000 | 12,000 |
| Foreign exchange loss | 1,340 | 11,972 | 1,217 | 10,139 |
| Exploration costs (note 17) | - | 13,132 | - | 51,916 |
| Interest and bank charges | 110 | 295 | 316 | 1,358 |
| Interest on notes payable (note 4) | 3,911 | 3,720 | 6,611 | 6,380 |
| Office, general and administration (note 9) | 15,617 | 63,191 | 21,557 | 113,218 |
| Professional fees | 3,136 | - | 4,036 | - |
| Salaries and benefits | - | 4,379 | - | 17,307 |
| Rent | - | 3,203 | - | 5,319 |
| Net loss for the period | 81,920 | 113,273 | 144,326 | 269,851 |
| Other comprehensive loss | | | | |
| Exchange difference on translation of foreign operations | ( 2,108) | - | 2,218 | - |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | $ 79,812 | $ 113,273 | $ 146,544 | $ 269,851 |
| **Loss per common share** | | | | |
| Basic | $ 0.002 | $ 0.003 | $ 0.004 | $ 0.01 |
| Diluted | $ 0.002 | $ 0.003 | $ 0.004 | $ 0.01 |
| **Weighted-average number of common shares outstanding** | | | | |
| Basic | 35,358,882 | 30,132,338 | 35,358,882 | 29,518,162 |
| Diluted | 35,358,882 | 30,132,338 | 35,358,882 | 29,518,162 |

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

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian dollars)
(UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2014

| | Share capital | | | Reserve for | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Units and shares to be issued | Share-based payments | Warrants | Currency translation | Contributed surplus | Accumulated deficit | Total |
| Balance, April 1, 2014 | 35,358,882 | $ 3,658,291 | $ 8,750 | $ 179,247 | $ 3,940 | ($ 30,691) | $ 329,555 | ($ 4,293,577) | ($ 144,485) |
| Shares issuable in private placements | - | - | 17,500 | - | - | - | - | - | 17,500 |
| Expiry of warrants issued in private placements | - | - | - | - | ( 3,868) | - | 3,868 | - | - |
| Expiry of finders compensation warrants | - | - | - | - | ( 72) | - | 72 | - | - |
| Exchange difference on translation of foreign operations | - | - | - | - | - | ( 2,218) | - | - | ( 2,218) |
| Net loss for the period | - | - | - | - | - | - | - | ( 144,326) | ( 144,326) |
| Balance, September 30, 2014 | 35,358,882 | $ 3,658,291 | $ 26,250 | $ 179,247 | $ - | ($ 32,909) | $ 333,495 | ($ 4,437,903) | ($ 273,529) |

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

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian dollars)
(UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2013

| | Share capital | | Reserve for | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Units and shares to be issued | Share-based payments | Warrants | Currency translation | Contributed surplus | Accumulated deficit | Total |
| Balance, April 1, 2013 | 28,405,525 | $ 3,128,790 | $ 28,000 | $ 173,331 | $ 229,325 | ($ 29,819) | $ 46,591 | ($ 3,881,584) | ($ 305,366) |
| Shares issued or issuable in private placements | 2,040,000 | 144,000 | 15,000 | - | - | - | - | - | 159,000 |
| Fair value ascribed to warrants issued in private placements | - | ( 2,700) | - | - | 2,700 | - | - | - | - |
| Share issue costs – finders compensation warrants | - | ( 72) | - | - | 72 | - | - | - | - |
| Share issue costs – cash (note 9) | - | ( 1,320) | - | - | - | - | - | - | ( 1,320) |
| Share based payments (note 8(d)) | - | - | - | 5,916 | - | - | - | - | 5,916 |
| Net loss for the period | - | - | - | - | - | - | - | ( 269,851) | ( 269,851) |
| Balance, September 30, 2013 | 30,445,525 | $ 3,268,698 | $ 43,000 | $ 179,247 | $ 232,097 | ($ 29,819) | $ 46,591 | ($ 4,151,435) | ($ 411,621) |

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

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(UNAUDITED)

| | For the six months ended September 30, 2014 | September 30, 2013 |
|---|---|---|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net loss for the period | ($ 144,326) | ($ 269,851) |
| Add (deduct) items not affecting cash: | | |
| Consulting fees | - | 32,500 |
| Depreciation | 566 | 666 |
| Foreign exchange | 1,220 | ( 13,078) |
| Write-down of mineral properties | - | 447 |
| Net changes in non-cash working capital balances: | | |
| Decrease in accounts receivable | 900 | 5,842 |
| (Increase) decrease in prepaid expenses and deposits | 3,095 | ( 8,074) |
| Increase in accounts payable and accrued liabilities | 66,759 | 81,774 |
| Cash used in operations | ( 71,786) | ( 169,774) |
| CASH PROVIDED BY INVESTING ACTIVITIES: | | |
| Proceeds from farm-out of interest in mineral properties | 50,000 | - |
| Cash provided by investing | 50,000 | - |
| CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES: | | |
| Issue of common shares as part of private placements | - | 144,000 |
| Units to be issued | 17,500 | 15,000 |
| Loans and advances from related parties | - | 41,590 |
| Repayment of due to related parties | ( 13,000) | ( 27,764) |
| Share issue costs | - | ( 1,320) |
| Cash provided by financing | 4,500 | 171,506 |
| NET (DECREASE) INCREASE IN CASH POSITION | ( 17,286) | 1,732 |
| CASH POSITION AT BEGINNING OF THE PERIOD | 17,286 | 676 |
| CASH POSITION AT END OF THE PERIOD | $ - | $ 2,408 |
| Supplemental disclosure of non-cash transactions: | | |
| Fair value ascribed to warrants issued on private placements | $ - | $ 2,700 |
| Fair value ascribed to finders warrants issued | $ - | $ 72 |

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

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2014

1. NATURE OF OPERATIONS AND GOING CONCERN CONSIDERATIONS:

Tartisan Resources Corp. (“Tartisan” or the “Company”) was incorporated on March 18, 2008 under the Business Corporations Act (Ontario). The Company’s registered office is at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6 and is listed on the Canadian Stock Exchange, trading under the symbol “TTC”.

The Company is in the business of acquiring, exploring for and developing mineral properties in Perú. Substantially all of the efforts of the Company are devoted to these business activities. To date the Company has not earned significant revenue and is considered to be in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company’s exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

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 Company incurred a net loss of $144,326 for the six months ended September 30, 2014 (six months ended September 30, 2013 - $269,851) and has an accumulated deficit of $4,437,903 as at September 30, 2014 (March 31, 2014- $4,293,577), and expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company’s ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

These consolidated financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business.

While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these 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 consolidated financial statements.

2. BASIS OF PRESENTATION:

**Statement of Compliance**

The unaudited condensed interim consolidated financial statements for Tartisan Resources Corp. for the six months ended September 30, 2014 have been prepared in accordance and compliance with International Financial Reporting Standards (collectively “IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting”.

2. BASIS OF PRESENTATION (continued):

**Statement of Compliance** (continued)

These consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective on September 30, 2014. These unaudited interim condensed consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2014.

These condensed interim consolidated financial statements were approved by the board of directors for issue on November 28, 2014.

**Basis of Measurement**

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are stated at fair value.

**Presentation Currency**

These consolidated financial statements are presented in Canadian dollars, which is the presentation currency of the Company. The functional currency of the Peruvian subsidiary is the Peruvian Nuevo Sol.

**Use of Estimates and Judgement**

The preparation of consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates.

Significant estimates and judgements used in the preparation of these consolidated financial statements include, but are not limited to, the recoverability of mineral properties, warrant and stock option valuations, title to mineral property interests, deferred income taxes, the recoverability of accounts receivable, management's going concern assessment, the useful life of machinery and equipment, the amounts recorded for related party transactions, the recording of liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expenditures during the reporting period and the determination of functional currency. Actual results could differ from management's best estimates.

3. SIGNIFICANT ACCOUNTING POLICIES:

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Minera Tartisan Perú S.A.C. ("Minera"), which is incorporated in Perú. All significant inter-company transactions have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

The Company expenses exploration expenditures as incurred. Costs attributable to property acquisitions are capitalized as mineral properties while exploration expenditures on the property can only be capitalized once mineral reserves have been established. Once a mineral reserve has been established, all development costs will be capitalized. These costs together with the costs of mineral properties will be charged to operations on a unit-of-production method based on estimated recoverable reserves. If the mineral properties are abandoned, or when impairment in value has been determined, the capitalized costs will be charged to operations.

The Company applies for early recovery of Impuesto General A Las Ventas ("IGV") on certain exploration expenditures it incurs in Perú. IGV is a value added tax charged on all goods and services. The IGV expenditures are partially refundable if recovery is applied for early. Based on management's best estimate the portion refundable is included in accounts receivable and the amount not refundable to the Company is expensed to exploration or capitalized to mineral properties if the Company has established mineral reserves in accordance with the Company's accounting policy. In addition, any amount not refunded to the Company can be used to offset amounts due to the Peruvian Revenue Service by the Company resulting from IGV charged to clients on future sales. Moreover, if the Company recovers amounts that have been deferred, the amount received will be applied to reduce mineral properties or taken as a credit against current exploration expenses depending on the prior treatment.

The aggregate recoverable against IGV collected on potential future revenues earned by the Peruvian subsidiary is $102,578 accumulated as at September 30, 2014 (March 31, 2014- $102,578).

The Company reviews its mineral properties to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of costs incurred on the mineral properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. It is reasonably possible, based on existing knowledge, that change in future conditions in the near-term could require a change in the determination of the need for, and amount of, any write down.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

SHARE CAPITAL

Costs incurred to issue common shares are deducted from share capital.

INCOME TAXES

Income tax on the profit or loss for the periods 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

INCOME TAXES (continued)

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

Deferred tax is recorded using the statement of financial position 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: the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; any 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.

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.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MACHINERY AND EQUIPMENT

Machinery and equipment are carried at cost less accumulated depreciation and impairment losses. Initially, an item of machinery and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to working condition. Subsequent expenditures are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Company. All other subsequent expenditures are recognized as an expense in the period in which they are incurred.

Where an item of machinery and equipment comprises significant components with different useful lives, the components are accounted for as separate items of machinery and equipment and depreciated separately.

Expenditures incurred to replace a component of an item of machinery and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized and day-to-day maintenance costs are expensed. Expenses which are directly attributable to major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

MACHINERY AND EQUIPMENT (continued)

Depreciation is recognized in profit and loss and is provided on a declining balance basis using the following rate:

Machinery and equipment……………………………………..20%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

PROPERTY EVALUATION AND PRE-ACQUISITION COSTS

The Company expenses evaluation and pre-acquisition costs relating to the evaluation of potential mineral property acquisitions in the period in which they are incurred.

IMPAIRMENT OF LONG-LIVED ASSETS

The carrying amounts of the Company's long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, capitalized mineral properties costs are assessed for impairment upon demonstrating the technical feasibility and commercial viability of the project.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units ("CGU") for impairment purposes.

Impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of comprehensive loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased.

RECLAMATION OBLIGATIONS

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value.  As at September 30, 2014, the Company has not incurred any reclamation obligations (March 31, 2014 – $nil).

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

LOSS PER SHARE

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. Options and warrants outstanding had no effect at period-end.

TRANSLATION OF FOREIGN CURRENCIES

(i) Functional currency:

The consolidated statements are presented in Canadian dollars, which is the Company's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is the Canadian dollar and the functional currency of the Company's Peruvian subsidiary in Peru is the Peruvian Nuevo Sol.

(ii) Transactions and balances:

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. All exchange differences are recorded in the foreign exchange gain or loss in the consolidated statement of comprehensive loss under foreign exchange gain (loss).

(iii) Translation of foreign operations:

The results and financial position of Tartisan's wholly-owned subsidiary, Minera, has a functional currency different from the presentation currency of the Company and are therefore translated into the presentation currency as follows:

1. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

2. Share capital is translated using the exchange rate at the date of the transaction

3. Revenue and expenses for each statement of comprehensive loss are translated at average exchange rates; and

4. All resulting exchange differences are recognized as a separate component of equity and as an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statement of comprehensive loss.

The Company treats specific inter-company loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment in foreign operations which is recorded as an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statement of comprehensive income (loss). When a foreign entity is sold, such exchange differences are recognized in the statement of comprehensive income (loss) as part of the gain or loss on sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

WARRANTS

Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. The fair value of the shares is determined based on the quoted market price per share at the time of issuance with the residual value being allocated to the warrants. For agent and finders warrants issued in the year, in the absence of a reliable measurement of the services received, the services have been measured at the fair value of agent and finders warrants issued. On the warrants expiry, the fair value previously allocated to warrants is reclassified to contributed surplus.

FINANCIAL INSTRUMENTS

*Financial assets -*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. The Company's accounts receivable, excluding HST receivable, are classified as loans and receivables. Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value arising when there is objective evidence of impairment. At September 30, 2014, the Company has not classified any financial assets as available-for-sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

*Financial liabilities -*

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, notes payable and due to related parties are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss). At September 30, 2014, the Company has not classified any financial liabilities as FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

FINANCIAL INSTRUMENTS (continued)

*Impairment of financial assets -*

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

a) Assets carried at amortized cost

   If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

   If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

   In relation to accounts receivable, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

b) Available-for-sale

   If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss.

*Fair value classification -*

Financial instruments recorded at fair value on the statement 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 Company's cash is considered Level 1 in the hierarchy.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

PROVISIONS

*General*

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

SHARE-BASED PAYMENTS

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued to acquire mineral properties or shares and warrants issued against services received are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services. The fair value of agents' and finders warrants is measured at the date that the Company receives the services.

The Company offers a share option plan for its directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing reserve for share-based payments based on the number of awards expected to vest. Any consideration paid on exercise of share options is credited to share capital. The reserve for share-based payments resulting from share-based compensation is transferred to share capital when the options are exercised.

The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. Consideration paid on exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves for share-based payments to share capital.

NEW STANDARDS ISSUED AND EFFECTIVE FOR THE PRIOR FISCAL YEAR

The adoption of the following standards has not had a significant impact on the Company's financial position or performance:

*IFRS 11, Joint Arrangements ("IFRS 11")*

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued):

NEW STANDARDS ISSUED AND EFFECTIVE FOR THE PRIOR FISCAL YEAR (continued)

*IFRS 13, Fair Value Measurement ("IFRS 13")*

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

*IFRS 10, Consolidation ("IFRS 10")*

IFRS 10 requires an entity to consolidate an investee when the entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

*IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")*

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

*Amendments to other standards*

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

RECENT STANDARDS ISSUED AND NOT YET EFFECTIVE

*IFRS 9, Financial Instruments ("IFRS 9")*

IFRS 9 reflects the IASB’s work to date on the replacement of Financial Instruments: Recognition and measurement (”IAS 39”), and applies to the classification and measurement of financial assets and financial liabilities as defined in IAS 39. In November 2013, the IASB issued a new version of IFRS 9 (IFRS 9 (2013)) which includes the new hedge accounting requirements and some related amendments to IAS 39, Financial Instruments – Recognition and Measurement and IFRS 7, Financial Instruments – Disclosures. IFRS 9 has effective date for the period beginning January 1, 2018.

4. NOTES PAYABLE:

| | September 30, 2014 | March 31, 2014 |
|---|---|---|
| Gateway Solutions S.A.C. (a) | $ 28,020 | $ 27,633 |
| Other individuals (b) and (d) | 65,000 | 65,000 |
| | $ 93,020 | $ 92,633 |

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4. NOTES PAYABLE (continued):

a) The Company entered into an arrangement with Gateway Solutions S.A.C; whereby, Gateway Solutions S.A.C. provided a loan to the Company in the amount of USD$25,000, bearing interest at a rate of 12% per annum. In addition, 25,000 common shares have been agreed to be issued as part of a financing fee with a deemed value of $0.15 per share for an aggregate deemed value of $3,750. The foregoing shares have been classified as shares to be issued in the interim condensed consolidated statement of financial position as of September 30, 2014 and March 31, 2014. The shares are to be issued to a controlling shareholder of Gateway Solutions S.A.C. The Company also guarantees that it will contract Gateway Solutions S.A.C. to manage and operate all of its future Peruvian exploration projects; including any drilling to be performed. The amounts are due on demand. Tartisan guarantees that it will refund the total amount owed to Gateway Solutions S.A.C. within two weeks of announcing cumulative placements from February 2, 2013 that total more than $350,000. As of September 30, 2014, accounts payable and accrued liabilities include $4,500 of accrued interest with respect to the foregoing note payable

b) The Company issued a promissory note in the principal amount of $25,000 to an unrelated individual, bearing interest at a rate of 1% per month and is due on demand. As of September 30, 2014, accounts payable and accrued liabilities include $250 accrued interest with respect to the foregoing note payable.

c) The Company issued a promissory note in the principal amount of $25,000, bearing interest at a rate of 1% per month and is due on demand. The debt financing was received from a company controlled by an individual related to the Chief Executive Officer. During 2014, the Company issued 282,500 common shares with a fair value of $22,600, in aggregate, for settlement of the foregoing note payable plus accrued interest for an aggregate settlement amount of $28,250. Accordingly, a gain on settlement of debt in the amount of $5,650 was recognized in the consolidated statement of changes in equity for the year ended March 31, 2014.

d) The Company issued a promissory note in the principal amount of $35,000 to an unrelated individual, bearing interest at a rate of 1% per month and was due on August 11, 2013. The promissory note has been guaranteed by the Chief Executive Officer of the Company. During 2014, a financing fee of $5,000 was charged to the Company bringing the aggregate note payable balance to $40,000 as of September 30, 2014 and March 31, 2014. As of September 30, 2014, accounts payable and accrued liabilities include $8,000 of accrued interest with respect to the foregoing note payable.

On April 23, 2014, the foregoing note holder filed a statement of claim against the Company and its Chief Executive Officer. The individual is seeking repayment of the note payable in the amount of $42,400, punitive damages in the amount of $50,000 plus costs. In addition, the individual is seeking an order to restrict the Company of disposing of or dealing with any of the Company’s assets without the individuals consent until a final determination of the action has been made. The Company is of the opinion that the claim is without merit and will vigorously contest the claim. The Company filed a statement of defence on May 29, 2014. Neither the possible outcome nor the amount of the possible settlement can be foreseen at this time. No provision has been recognized for this claim in excess of the note payable amount inclusive of accrued interest to September 30, 2014 amounting to $48,000, as it is not probable that there will be any outflow of resources.

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5. MACHINERY AND EQUIPMENT:

| | | Machinery and Equipment |
|---|---|---|
| **Cost** | | |
| As at April 1, 2013 | $ | 13,574 |
| Additions | | - |
| Disposals | | - |
| Effect of foreign exchange | | 52 |
| As at March 31, 2014 | $ | 13,626 |
| Additions | | - |
| Disposals | | - |
| Effect of foreign exchange | ( | 194) |
| As at September 30, 2014 | $ | 13,432 |
| | | |
| **Accumulated depreciation** | | |
| As at April 1, 2013 | $ | 5,733 |
| Depreciation expense | | 999 |
| Effect of foreign exchange | | - |
| As at March 31, 2014 | $ | 6,732 |
| Depreciation expense | | 566 |
| Effect of foreign exchange | | 1 |
| As at September 30, 2014 | $ | 7,299 |
| | | |
| **Net book value** | | |
| As at March 31, 2014 | $ | 6,894 |
| As at September 30, 2014 | $ | 6,133 |

6. DUE TO RELATED PARTIES:

The amounts due are interest free with no specified terms of repayment. The amounts are due to officers and directors of the Company.

7. MINERAL PROPERTIES AND COMMITMENTS:

The Company, through its wholly-owned Peruvian subsidiary, Minera, has a 100% interest in 9 (2013 - 7) mining concessions in Peru, covering approximately 4,360 (2013- 3,660) hectares.

During 2013, the Company made its final option payment towards the La Victoria property in Peru. This payment has secured for the Company a 100% unencumbered interest in two key mining concessions that form part of the property. The mineral rights for the entire property area are now owned 100% by Tartisan with no residual ownership royalties. The final payment totalled US $100,000.

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7. MINERAL PROPERTIES AND COMMITMENTS (continued):

Accumulated mineral property costs have been incurred as follows:

| | |
|---|---|
| Balance, April 1, 2013 | $ 223,647 |
| Acquisition costs | 300 |
| Write-off of mineral properties | - |
| Effect of foreign exchange | 555 |
| Balance, March 31, 2014 | 224,502 |
| Acquisition costs | - |
| Proceeds from farm-out of interest in mineral properties | ( 50,000) |
| Write-off of mineral properties | - |
| Effect of foreign exchange | ( 2,856) |
| Balance, September 30, 2014 | $ 171,646 |

LA VICTORIA PROPERTY

La Victoria Property (the “Property”) is located in the department of Ancash, in Perú, covering an aggregate area of 3,760 (2013- 3,334) hectares. The Property consists of 8 (2013- 7) mineral concessions.

On July 17, 2009, the Company entered into an Option Agreement to acquire a 100% interest in mining concessions covering approximately 761 hectares in Perú.

In order to acquire a 100% interest in these concessions, the Company must make the following US dollar cash payments:

| Date | Amount |
|---|---|
| As at the date of signature, July 17, 2009 (fulfilled) | $ 10,000 |
| On August 13, 2010 (fulfilled) | 17,100 |
| On February 13, 2011(fulfilled) | 15,000 |
| On August 13, 2011 (fulfilled) | 20,000 |
| On February 13, 2012 (fulfilled) | 20,000 |
| On August 13, 2012 (fulfilled) | 20,000 |
| On February 13, 2013 (fulfilled) | 100,001 |
| | $ 202,101 |

7. MINERAL PROPERTIES AND COMMITMENTS (continued):

LA VICTORIA PROPERTY (continued)

During 2014, the Company entered into a letter agreement providing Eloro Resources Ltd. ("Eloro") with an option to acquire a 50% interest in the Property. In order for Eloro to earn its interest in the Property, Eloro must make the following option payments and incur exploration expenditures, as follows:

To earn a 50% interest:

| Date | Option Payment | Exploration Expenditures |
|---|---|---|
| On July 3, 2014 (received) | $ 50,000 | - |
| On July 3, 2015 (extended to January 3, 2016; note 19) | 50,000 | 250,000 |
| On July 3, 2016 (extended to January 3, 2017; note 19) | 50,000 | 350,000 |
| On July 3, 2017 (extended to January 3, 2018; note 19) | - | 400,000 |
| On July 3, 2018 (extended to January 3, 2019; note 19) | - | 500,000 |
| | $ 150,000 | $ 1,500,000 |

With the exception of the initial cash payment on execution of the agreement, the above mentioned option payments can be made in cash or shares at the discretion of Eloro. The number of common shares to be issued by Eloro and the price of issuance will be determined by dividing the option payment owed to the Company by the 20 day average closing price of Eloro's shares on the principal stock exchange on which such shares trade at the applicable time, subject to necessary regulatory and exchange approval and any minimum stock exchange pricing criteria at the applicable time.

If either party acquires an interest in any property within 5 kilometers of the La Victoria property, the acquirer must offer the other party the opportunity to participate in the acquisition up to its participating interest, subject to a minimum of 50%. In the event that the agreement is terminated before Eloro earns its 50% interest, Eloro shall transfer its interest in any additional properties within the area of interest to the Company.

Upon Eloro earning its 50% interest, a joint venture will deemed to be formed to explore and develop the La Victoria property and the parties will use their best efforts to enter into a joint venture agreement. If a party does not fund its proportionate share of the approved work plan and budget and the other party funds at least 80%, their interest will be diluted and when their interest is diluted to less than 10%, the party's interest shall be reduced to a 2% net smelter royalty on all production. The other party will have the option to reduce the royalty from 2% to 1.5% by making a payment of $1,000,000. Each party shall have the right of first refusal on the on the sale of the other party's interest.

Under Peruvian law, the concessions acquired from the government remain in good standing as long as the annual registration payments ($3.00 per hectare) are received by June of each year. One grace year is added in the event of a delinquent payment.

In addition, concession holders must reach an annual production of a least US $100 per hectare in gross sales within six years from January 1st of the year following the date the title was granted. If there is no production on the claim within that period, the concession holder must pay a penalty of US $6 per hectare under the general regime, US $1 for small scale miners, and US $0.50 for artisan miners, during the 7th through the 11th years following the granting of the concession. From the 12th year onwards the penalty is equal to US $20 per hectare under the general regime, US $5 per hectare for small scale miners

7. MINERAL PROPERTIES AND COMMITMENTS (continued):

LA VICTORIA PROPERTY (continued)

and US $3 for artisan miners. The concession holder is exempt from the penalty if exploration expenditures incurred during the previous year were ten times the amount of the applicable penalty.

Failure to pay the licence fees or the penalty for two consecutive years will result in the forfeiture of the concession.

The Company's mineral concessions are in good standing through to September 30, 2014. Tax and concession payments amount to approximately $11,000 per annum (2013- $10,000 per annum).

As at September 30, 2014, the Company had the following commitments:

- During 2012, the Company contracted a company to perform geophysical work on its Victoria Property for US$44,870, in aggregate. During 2012, US$28,134 of the overall balance was paid and expensed to exploration costs in the consolidated statement of comprehensive loss. The remaining balance of US$16,736 has been included in accounts payable and accrued liabilities as of September 30, 2014 and March 31, 2014.

- On December 1, 2012, the Company contracted a company to provide research and capital market exposure services. Pursuant to the agreement, the Company must make monthly payments of $6,000, and is required to grant stock options to acquire up to 200,000 common shares at an exercise price of $0.25 per share, exercisable over a five year period. The fair value of the stock options to be issued amounts to $17,747 (2013 – 11,831) and has been included in reserve for share-based payments and expensed to office, general and administration in the consolidated statement of comprehensive loss during 2014 and 2013 (see note 8 (d) for stock option valuation information). During 2014, the Company issued 305,100 common shares with a fair value of $24,408 on settlement of debt of $30,510 owing to the foregoing consultant for a gain of $6,102. The gain on settlement of debt is included in profit or loss.

8. SHARE CAPITAL:

a) Common shares:

Authorized:

Unlimited number of common shares

(i) Issued for cash

*Year ended March 31, 2014*

In April 2013, the Company completed private placements and issued 690,000 units at $0.10 per unit for aggregate gross proceeds of $69,000. Each unit consisted of one common share and one-half of a common share purchase warrant exercisable at $0.20, expiring through April 9, 2014. In connection with the foregoing private placements, 7,200 finders warrants were issued with a fair value of $72. The finders warrants are exercisable into one common share at $0.20, expiring on April 9, 2014. In addition, finders fees of $1,260 were paid to eligible finders.

8. SHARE CAPITAL (continued):

a) Common shares (continued):

(i) Issued for cash (continued)

*Year ended March 31, 2014 (continued)*

In July 2013, the Company completed private placements and issued 1,500,000 units at $0.06 per unit for aggregate gross proceeds of $90,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.15, expiring through July 31, 2014. The Company paid share issue costs of $600 in connection with the above noted private placements.

In March 2014, the Company completed private placements and issued 762,857 units at $0.07 per unit for aggregate gross proceeds of $53,400. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.14, expiring through March 28, 2015. The Company paid share issue costs of $3,600 in connection with the above noted private placements.

The residual method was used in determining the fair value of warrants issued in connection with unit placements.

(ii) Issued for settlement of amounts due to related parties and debt

*Year ended March 31, 2014*

During 2014, the Company issued 3,855,500 common shares with a fair value of $308,440 on settlement of debt amounting to $385,550. Accordingly, the Company recorded a gain on settlement of debt in the amount of $24,660 in the statement of comprehensive loss for the year ended March 31, 2014 and an amount of $52,450 in contributed surplus. 2,622,500 of the foregoing shares were issued to officers and directors of the Company and their affiliates for an aggregate settlement amount of $262,250. The gain of settlement of $52,450 have been credited to contributed surplus as these shares were issued to officers and directors of the Company, and was in essence, a capital transaction.

(iii) Units and shares to be issued

*Period ended September 30, 2014*

Pursuant to private placements in July 2014, 250,000 units at $0.07 per unit were issuable for cash proceeds received of $17,500. Each unit consists of one common share and one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.14 expiring through July 15, 2015.

In addition, as of September 30, 2014 and March 31, 2014, pursuant to an arrangement with Gateway Solutions S.A.C., the Company was committed to issue 25,000 common shares with a deemed value of $0.15 per share aggregating $3,750.

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8. SHARE CAPITAL (continued):

a) Common shares (continued):

(iii) Units and shares to be issued (continued)

*Year ended March 31, 2014*

As of March 31, 2013, 195,000 units at $0.10-$0.15 per unit were issuable for cash proceeds received of $24,250. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.20-$0.25 expiring through to April 9, 2014. During 2014, 145,000 of the foregoing units were issued. Therefore, as of September 30, 2014 and March 31, 2014 there were 50,000 units remaining to be issued for cash proceeds received of $5,000.

b) Warrants:

As of September 30, 2014, the following share purchase warrants were outstanding and exercisable:

| Expiry Date | Number of Warrants | Exercise price |
|---|---|---|
| July 30, 2015 | *1,500,000 | $0.15 |
| March 27, 2015 | 762,857 | $0.14 |
| | 2,262,857 | |

* During July 2014, the Canadian Securities Exchange consented to the extension of the expiry of these warrants from July 30, 2014 to July 30, 2015.

A summary of the status of the warrants as of September 30, 2014 and March 31, 2014 and changes during the periods are presented below:

| | Number of warrants | Weighted average exercise price ($) |
|---|---|---|
| Balance, April 1, 2013 | 5,550,490 | $ 0.36 |
| Issued pursuant to private placements (note 8 (a)) | 2,607,857 | 0.16 |
| Issued pursuant to shares issued in prior year (Note 8 (a)) | 72,500 | - |
| Exercised | - | - |
| Expired | ( 5,597,990) | ( 0.36) |
| Balance, March 31, 2014 | 2,632,857 | $ 0.15 |
| Issued pursuant to private placements | - | - |
| Exercised | - | - |
| Expired | ( 370,000) | ( 0.20) |
| Balance, September 30, 2014 | 2,262,857 | $ 0.15 |

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8. SHARE CAPITAL (continued):

c) Agent's and Finders' Warrants:

As of September 30, 2014 there were no Agent's and Finders' Warrants outstanding and exercisable. As the value of services received could not be reliably measured, the services have been measured at the fair value of agent and finders' warrants issued using the Black-Scholes model.

A summary of the status of the Agent's and Finders Warrants as of September 30, 2014 and March 31, 2014 and changes during the periods are presented below:

| | Number of Agent's and Finders Warrants | Weighted average exercise price |
|---|---|---|
| Balance, April 1, 2013 | 79,050 | $ 0.26 |
| Issued | 7,200 | 0.20 |
| Exercised | - | - |
| Expired | ( 79,050) | 0.26 |
| Balance, March 31, 2014 | *7,200 | $ 0.20 |
| Issued | - | - |
| Exercised | - | - |
| Expired | ( 7,200) | 0.20 |
| Balance, September 30, 2014 | - | $ - |

*Each warrant entitles the holder to purchase one common share in the Company.

d) Stock Option Plan:

On December 21, 2010, the Company's stock option plan (the "Option Plan") was approved by the Board of Directors. Pursuant to the terms of the Option Plan, 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 in the capital of the Company.

A summary of the status of the stock options as of September 30, 2014 and March 31, 2014 and changes during the periods are presented below:

| | Number of options | Weighted average exercise price |
|---|---|---|
| Balance, April 1, 2013 | 2,500,000 | $ 0.25 |
| Granted | - | - |
| Exercised | - | - |
| Forfeited or cancelled | - | - |
| Balance, March 31, 2014 and September 30, 2014 | 2,500,000 | $ 0.25 |

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8. SHARE CAPITAL (continued):

d) Stock Option Plan (continued):

The following table summarizes the options outstanding and exercisable at September 30, 2014 and March 31, 2014:

| Number of Options | Exercise Price | Expiry Date |
|---|---|---|
| 2,500,000 | $0.25 | October 4, 2017 |

The fair value of the 2,500,000 stock-based payments made through fiscal 2013 was calculated using the Black-Scholes option pricing model with the following assumptions:

| | |
|---|---|
| Share price | $ 0.10 |
| Exercise price | $ 0.25 |
| Risk-free rate | 1.26% |
| Expected volatility based on comparable companies | 105% |
| Expected life of stock options | 5 years |
| Expected dividend yield | 0.0% |
| Fair value of share-based payment | $ 161,500 |
| Fair value per stock option | $ 0.0645 |

The fair value of the share-based payments recorded for options granted and vested during the year ended March 31, 2013 was $161,500 and has been expensed to net loss and comprehensive loss, with a corresponding allocation of $161,500 to reserve for share-based payments. The fair value of the 200,000 stock options to be granted to a consultant of the Company was valued using the Black-Scholes model as the fair value of the services was not reliably determinable. The fair value amounted to $5,916 (2013 -$11,831) has been included in reserve for share-based payments and expensed to office, general and administration in the consolidated statement of comprehensive loss for the year ended March 31, 2014 and 2013.

9. RELATED PARTY TRANSACTIONS:

The following related party transactions occurred and were reflected in the consolidated financial statements during the periods ended September 30, 2014 and 2013 as follows:

| | 2014 | 2013 |
|---|---|---|
| **Key management compensation:** | | |
| Management and consulting fees expense: | | |
| Consulting fees were charged by a director and Chief Financial Officer for financial management services | $ 18,000 | $ 9,000 |
| Corporate administrative fees were charged by a former Chief Executive Officer and a company controlled by the individual | $ 18,000 | $ 9,000 |
| Corporate administrative fees were charged by a company controlled by the Chief Executive Officer | $ 30,000 | $ 9,000 |

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9. RELATED PARTY TRANSACTIONS (continued):

| | | 2014 | | 2013 |
|---|---|---|---|---|
| **Key management compensation (continued):** | | | | |
| Directors fees expense: | | | | |
| Directors fees were charged by certain directors | $ | 24,000 | $ | 12,000 |
| **Other related party transactions:** | | | | |
| Transfer agent fees were charged by a company with a common director | $ | 6,000 | $ | 600 |
| *Share issue costs*: | | | | |
| Commissions on certain private placements were charged by an individual related to a director of the Company | $ | - | $ | 600 |

See notes 4, 6 and 8 for additional related party information.

As of September 30, 2014, accounts payable and accrued liabilities include $153,721 (March 31, 2014 - $69,131) due to these related parties.

10. INCOME TAXES:

The Company has non-capital losses of approximately $2,554,760 in Canada which expire through 2035 and $576,253 in Perú which potentially expire through 2017. The benefit of these losses has not been recognized for financial statements purposes.

11. CAPITAL DISCLOSURES:

The Company considers its capital to include components of shareholders' deficiency, which is comprised of share capital, units and shares to be issued, reserve for warrants, reserve for share-based payments, contributed surplus, foreign currency translation reserve, and deficit, which as at September 30, 2014 totalled $273,529 (March 31, 2014- shareholders' deficiency of $144,485)

The Company's objectives in managing capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's investments; to safeguard the Company's ability to continue as a going concern in order to pursue investments and new projects of merit; and to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

## 11. CAPITAL DISCLOSURES (continued):

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will continue to assess its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended September 30, 2014. Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

## 12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS:

*Fair value*

The Company has determined the estimated fair value of its financial instruments based on estimates and assumptions. The actual results may differ from those estimates and the use of different assumptions or methodologies may have a material effect on the estimated fair value amounts.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, due to related parties and notes payable are comparable to their carrying values due to the relatively short period to maturity of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash. The Company's cash is held with a Canadian Chartered bank in Perú and Canada. Management believes that the credit risk and the risk of loss with respect to cash are remote because cash deposits are placed with a major bank with strong investment-grade ratings by a primary ratings agency.

The Company's credit risk with respect to accounts receivable is not considered significant.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company had cash of $nil (March 31, 2014- $17,286) to settle current liabilities of $451,308(March 31, 2014 - $397,162). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The ability of the Company to continue to pursue its exploration activities and continue as a going concern is dependant on its ability to secure additional equity or other financing.

12. FINANCIAL INTRUMENTS AND FINANCIAL RISK FACTORS (continued):

*Liquidity risk (continued)*

Accounts payable, accrued liabilities, due to related parties and notes payable are due within twelve months of the date of the consolidated statement of financial position.

*Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is exposed to interest rate risk as the notes payable have fixed interest rates. Accordingly, the Company's notes payable are subject to fair value risk.

*Foreign currency risk*

Foreign currency exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company uses the Canadian dollar as its presentation currency for these consolidated financial statements. The Company operates in Peru, giving rise to exposure to market risks from changes in foreign exchange rates. The Company currently does not use derivative instruments to hedge its exposure to those risks.

*Political risk*

The properties are located in Perú; accordingly, the Company is subject to risks normally associated with exploration and development of mineral properties in Perú. The Company's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which the Company has no control.

*Commodity price risk*

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company. The Company monitors commodity prices to determine the appropriate course of action to be taken by the Company.

*Business risk*

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. 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. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

TARTISAN RESOURCES CORP.
(An Exploration Stage Enterprise)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2014

13. SEGMENTED INFORMATION:

The Company operates in a single reportable operating segment, the exploration and development of mineral properties. Segmented geographic information is as follows:

The following table allocates total assets by segment:

| As at | September 30, 2014 | March 31, 2014 |
|---|---|---|
| **Current** | | |
| Canada | $ - | $ 17,285 |
| Perú | - | 3,995 |
| | - | 21,280 |
| **Non Current** | | |
| Canada | $ - | $ - |
| Perú | 177,779 | 231,397 |
| Total assets | $ 177,779 | $ 252,677 |

The following table allocates net loss by segment:

| | Period ended September 30, 2014 | Period ended September 30, 2013 |
|---|---|---|
| Canada | $ 130,016 | $ 252,994 |
| Perú | 14,310 | 16,857 |
| Net loss | $ 144,326 | $ 269,851 |

14. SETTLEMENT OF DEBT:

During 2014, management negotiated with a vendor to receive shares in lieu of cash and therefore issued 3,855,500 (2013 – 200,000) common shares with a fair value of $308,440 (2013- $41,665) for an aggregate debt settlement amount of $385,550 (2013 - $50,000). Accordingly, a gain on settlement of debt was recognized in the amount of $24,660 (2013 – $8,335) in the consolidated statement of comprehensive loss for the year ended March 31, 2014. $52,450 (2013 - $nil) is recognized in contributed surplus. All shares issued through the debt settlement have a four month holding period.

15. CONTINGENT LIABILITY:

A former consultant of the Company filed a Statement of Claim (the "Claim") claiming compensation for breach of contract. The Company is of the opinion that the Claim is without merit and will vigorously contest the Claim. However, if defence against the Claim is unsuccessful, damages could amount to approximately $40,848, as well as costs of the proceedings, plus the issuance of 200,000 common shares of the Company, and the issuance of 96,266 broker warrants, each exercisable into one common share of the Company and $25,000 in punitive damages. Neither the possible outcome nor the amount of possible settlement can be foreseen at this time. No provision has been recognized for this claim, as it is not probable that there will be any outflow of resources.

Refer to note 4(d) for additional contingent liability information.

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## 16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

| | September 30, 2014 | March 31, 2014 |
|---|---|---|
| Trade payables and accruals | $ 311,681 | $ 234,712 |
| GST/HST payable | 4,243 | 14,453 |
| | $ 315,924 | $ 249,165 |

## 17. EXPLORATION COSTS:

Exploration costs have been expensed as incurred. Included in exploration costs are IGV expenditures salaries and benefits, and general exploration expenditures.

## 18. COMMITMENTS:

On June 20, 2013, the Company authorized the issuance of 200,000 stock options to purchase 200,000 common shares of the Corporation at the exercise of $0.25 per share to R.M. Communications Inc. These options have not yet been granted.

## 19. EVENTS AFTER THE REPORTING DATE:

On November 28, 2014, the La Victoria Option and Joint Venture Agreement dated July 3, 2014 was amended to extend the remaining payments and exploration work commitment due dates, pursuant to the agreement, by six months.

In consideration for the foregoing extension, the Company received the option payment of $50,000 (received) that was not due until July 3, 2015. The foregoing amount is to be used solely to pay certain creditors of the Company.