

TARTISAN NICKEL CORP.
(formerly Tartisan Resources Corp.)



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(Expressed in Canadian dollars, unless otherwise stated)

(UNAUDITED)

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

TARTISAN NICKEL CORP.
(formerly Tartisan Resources Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

(UNAUDITED)

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

I N D E X

	PAGE
NOTICE TO READER	1
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS:	
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	2
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	3
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	4-5
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	7-28

TARTISAN NICKEL CORP.

NOTICE TO READER

Under National Instrument 51-102, Part 4, Subsection 4.3 (3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

(Signed) "D. Mark Appleby"
President and Chief Executive Officer

(Signed) "Aamer Siddiqui"
Chief Financial Officer

Toronto, Ontario
March 1, 2019

TARTISAN NICKEL CORP.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	December 31, <u>2018</u>	March 31, <u>2018</u>
ASSETS		
CURRENT		
Cash	\$ -	\$ 81,681
Accounts receivable	33,336	94,993
Prepaid expenses and other	44,706	301,713
Subscription receivable	85,300	-
Due from related parties (Note 7)	<u>218,755</u>	<u>284,470</u>
	382,097	762,857
MINERAL PROPERTIES (Note 4)	2,191,919	2,409,984
RECLAMATION DEPOSIT (Note 4)	277,608	277,608
MACHINERY AND EQUIPMENT (Note 5)	4,330	4,442
INVESTMENTS (Note 4 and 6)	<u>3,508,703</u>	<u>6,508,933</u>
	<u>\$ 6,364,657</u>	<u>\$ 9,963,824</u>
 LIABILITIES		
CURRENT		
Bank overdraft	\$ 9,072	\$ -
Accounts payable & accrued liabilities (Note 10)	340,584	182,016
Site restoration liability (Note 4)	<u>-</u>	<u>276,381</u>
	349,656	458,397
 SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 9)	8,052,050	7,858,050
UNITS AND SHARES TO BE ISSUED (Note 9)	8,750	8,750
RESERVE FOR WARRANTS (Note 9)	528,227	911,111
RESERVE FOR SHARE-BASED PAYMENTS (Note 9)	193,066	193,066
CONTRIBUTED SURPLUS	1,093,648	710,764
FOREIGN CURRENCY TRANSLATION RESERVE	56,762	66,284
RETAINED EARNINGS (DEFICIT)	<u>(3,917,501)</u>	<u>(242,598)</u>
	6,015,002	9,505,427
	<u>\$ 6,364,657</u>	<u>\$ 9,963,824</u>

NATURE OF OPERATIONS AND GOING CONCERN CONSIDERATIONS (Note 1)

NOTES PAYABLE (Note 4)

EVENTS AFTER THE REPORTING DATE (Note 15)

COMMITMENTS (Notes 4 & 14)

Approved by the Board:

(Signed) "D. Mark Appleby", Director

(Signed) "Douglas Flett", Director

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

TARTISAN NICKEL CORP.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME (LOSS)
(Expressed in Canadian dollars)

	For the Three Months Ended		For the Nine Months Ended	
	Dec 31,	Dec 31,	Dec 31,	Dec 31,
EXPENSES	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Management and consulting fees (Note 10)	\$ 99,836	\$ 47,517	\$ 297,991	\$ 145,475
Depreciation (Note 5)	464	240	945	722
Directors fees (Note 10)	4,500	4,500	13,500	13,500
Explorations costs (Notes 4 and 13)	3,609	(62)	16,385	15,354
Foreign exchange loss	(537)	(5,570)	5,097	4,915
Interest and bank charges	-	633	849	3,044
Interest on notes payable (Note 8)	-	887	-	1,814
Marketing and promotion	23,751	226,556	182,874	373,813
Office, general and administration	33,595	81,396	164,547	149,648
Professional fees	30,873	9,872	103,720	68,280
Share-based payments (Note 9 (d))	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	(196,090)	(365,968)	(785,908)	(777,565)
GAIN IN SETTLEMENT OF DEBT	-	-	82,615	-
GAIN ON SALE OF ASSET (Note 4)	378,620	-	378,620	-
UNREALIZED REVALUATION GAIN (LOSS) ON INVESTMENT (Note 6)	85,456	1,606,278	(3,350,230)	2,304,748
	<hr/>	<hr/>	<hr/>	<hr/>
COMPRESHENSIVE INCOME (LOSS) FOR THE PERIOD	267,986	1,240,309	(3,674,903)	1,528,183
Other comprehensive gain				
Items that may be reclassified to Profit/loss:				
Exchange difference on translation of foreign operations, net of tax	-	1,026	(9,522)	(17,119)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$267,986	\$1,239,283	\$(3,684,425)	1,545,302
	<hr/>	<hr/>	<hr/>	<hr/>
Income (Loss) per common share				
Basic income (loss) per share	\$0.00	\$0.02	\$(0.04)	\$0.02
Fully diluted income (loss) per share	\$0.00	\$0.02	\$(0.04)	\$0.02
	<hr/>	<hr/>	<hr/>	<hr/>
Weighted-average number of common shares outstanding				
Basic	99,560,633	75,566,791	99,560,633	73,081,170
Fully Diluted	111,460,633	93,420,175	99,560,633	90,934,554
	<hr/>	<hr/>	<hr/>	<hr/>

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

TARTISAN NICKEL CORP.
 (Expressed in Canadian dollars, Unaudited)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

	Share capital		Reserve for						Total amount
	Shares	Amount	Units and shares to be issued	Share-based payments	Warrants	Currency translation	Contributed surplus	Accumulated deficit	
Balance, April 1, 2018	97,442,391	\$ 7,858,050	\$ 8,750	\$193,066	\$ 911,111	\$ 66,284	\$ 710,764	\$ (242,598)	\$ 9,505,427
Shares issued in exchange for marketing and promotion services (note 9)	120,000	24,000	-	-	-	-	-	-	24,000
Warrants exercised (note 9)	2,000,000	170,000	-	-	-	-	-	-	170,000
Warrants expired	-	-	-	-	(341,592)	-	341,592	-	-
Fair value of warrants exercised	-	-	-	-	(41,292)	-	41,292	-	-
Exchange difference on foreign operations	-	-	-	-	-	(9,522)	-	-	(9,522)
Net loss for the period	-	-	-	-	-	-	-	(3,674,903)	(3,674,903)
Balance, December 31, 2018	99,562,391	\$ 8,052,050	\$ 8,750	\$ 193,066	\$ 528,227	\$ 56,762	\$1,093,648	\$(3,917,501)	\$ 6,015,002

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

TARTISAN NICKEL CORP.
 (Expressed in Canadian dollars, Unaudited)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

	Share capital		Reserve for							Total amount
	Shares	Amount	Units and shares to be issued	Share-based payments	Warrants	Currency translation	Contributed surplus	Accumulated deficit		
Balance, April 1, 2017	65,064,345	\$ 4,375,236	\$ 8,750	\$193,066	\$ 311,884	\$ 47,582	\$ 710,764	(\$1,262,475)	\$ 4,384,807	
Warrants exercised	5,000,000	404,749	-	-	(54,749)	-	-	-	350,000	
Shares issued in exchange for marketing and promotion services	111,430	18,000	-	-	-	-	-	-	18,000	
Shares issued	2,226,668	334,000	-	-	-	-	-	-	334,000	
Fair value ascribed to warrants	-	(194,150)	-	-	194,150	-	-	-	-	
Exercise of warrants	150,000	18,781	-	-	(3,781)	-	-	-	15,000	
Common shares issued	500,000	62,500	-	-	-	-	-	-	62,500	
Warrants exercised	600,000	48,340	-	-	(6,340)	-	-	-	42,000	
Warrants exercised	1,000,000	80,568	-	-	(10,568)	-	-	-	70,000	
Shares issued	2,000,000	300,000	-	-	-	-	-	-	300,000	
Fair value ascribed to warrants	-	(129,569)	-	-	129,569	-	-	-	-	
Shares issued	1,400,000	210,000	-	-	-	-	-	-	210,000	
Fair value ascribed to warrants	-	(90,699)	-	-	90,699	-	-	-	-	
Warrants exercised	800,000	64,454	-	-	(8,454)	-	-	-	56,000	
Exercise of finders warrants	240,000	24,980	-	-	(8,180)	-	-	-	16,800	
Exchange difference on translation of foreign operations	-	-	-	-	-	17,119	-	-	17,120	
Net income for the period	-	-	-	-	-	-	-	1,528,183	1,528,183	
Balance, December 31, 2017	79,092,443	\$ 5,527,190	\$ 8,750	\$ 193,066	\$ 634,230	\$ 64,701	\$ 710,764	\$ 265,708	\$ 7,404,409	

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

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
UNADITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the nine-months ended	
	December 31,	December 31,
	<u>2018</u>	<u>2017</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net income (loss) for the period	\$ (3,674,903)	\$ 1,528,183
Add items not affecting cash:		
Depreciation	945	722
Foreign exchange	(10,356)	(1,239)
Shares issued for services	24,000	18,000
Unrealized revaluation loss (gain) on investment	3,350,230	(2,304,748)
 Net changes in non-cash working capital balances:		
Accounts receivable	61,657	(100,851)
Prepaid expenses and other	257,007	(249,717)
Subscriptions receivable	(85,300)	-
Accounts payable and accrued liabilities	158,568	(6,777)
Bank overdraft	9,072	-
	<hr/>	<hr/>
Cash provided by (used in) operations	<u>90,920</u>	<u>(1,116,427)</u>
 CASH USED IN INVESTING ACTIVITIES:		
Increase (decrease) in mineral properties (Note 4)	(116,143)	(112,500)
Sale of mineral properties (Note 4)	334,208	-
Investments (note 6)	(350,000)	-
Site restoration liability (Note 4)	<u>(276,381)</u>	<u>-</u>
Cash used in investing	<u>(408,316)</u>	<u>(112,500)</u>
 CASH PROVIDED BY FINANCING ACTIVITIES:		
Issue of common shares as part of private placements	-	1,151,954
Issuance of warrants as part of private placements	-	322,346
Exercise of warrants	170,000	-
Increase in amounts due to related parties	65,715	(186,985)
Decrease in notes payable	<u>-</u>	<u>(40,975)</u>
Cash provided by financing	<u>235,715</u>	<u>1,246,340</u>
 NET (DECREASE) INCREASE IN CASH POSITION	(81,681)	17,413
 CASH POSITION AT BEGINNING OF THE PERIOD	<u>81,681</u>	<u>5,930</u>
 CASH POSITION AT END OF THE PERIOD	<u>\$ -</u>	<u>\$ 23,343</u>
 Supplemental disclosure of non-cash transactions:		
Shares issued for marketing and promotion services	\$ 24,000	\$ 18,000
Fair value ascribed warrants issued on private placements	\$ -	\$ 414,418

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

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

1. NATURE OF OPERATIONS AND GOING CONCERN CONSIDERATIONS:

Tartisan Nickel Corp. (formerly 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 44 Victoria Street, Suite 1060, Toronto, Ontario, M5C 1Y2. The Company is listed on the Canadian Securities Exchange (“CSE”), trading under the symbol “TN” and is currently a member of the CSE Composite Index. On February 20, 2018, the shareholders of Tartisan approved the change of the Company’s name to Tartisan Nickel Corp.

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.

These unaudited condensed interim 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.

The Company recorded a loss in the current period, with a current net loss of \$3,674,903 and has accumulated deficit of \$3,917,501 (March 31, 2018 - \$242,598). In addition the Company has working capital of \$32,441 (March 31, 2018 - \$486,476). The Company remains in the exploration and evaluation phase and has no revenues. During the fiscal year ended March 31, 2018, the Company acquired Canadian Arrow Mines Limited (see Note 4). The Company may 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. As a result, material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern.

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 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.

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.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

2. BASIS OF PRESENTATION:

Statement of Compliance

These unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2018 have been prepared in accordance and compliance with International Financial Reporting Standards (collectively “IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”) applicable to the preparation of interim financial statements including IAS 34 “Interim Financial Reporting”.

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards effective on March 1, 2019. The accounting policies set out below and in Note 3 have been applied consistently to all periods presented in these consolidated financial statements.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company for issue on March 1, 2019.

Basis of Measurement

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain investments in shares and warrants which are stated at fair value.

Functional Currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency of the Canadian Arrow Mines Ltd. subsidiary is the Canadian dollar. The functional currency of the Peruvian subsidiary is the Peruvian Nuevo Sol.

Use of Estimates and Judgment

The preparation of these unaudited condensed interim 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 unaudited condensed interim consolidated financial statements. Actual results may differ from those estimates.

Significant estimates and judgments used in the preparation of these consolidated financial statements include, but are not limited to, the recoverability of mineral properties, sufficiency of site restoration liabilities, warrant and stock option valuations, title to mineral property interests, recognition of deferred income taxes, management’s going concern assessment, the amounts recorded for related party transactions, the classification of investments, the recording of liabilities and disclosures of contingent assets and liabilities at the date of the unaudited condensed interim consolidated financial statements, the reported amounts of income and expenditures during the reporting period, the determination of functional currency and determining the fair value of consideration received for mineral properties. Actual results could differ from management’s best estimates.

3. SIGNIFICANT ACCOUNTING POLICIES:

PRINCIPLES 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”) and its subsidiaries which are incorporated in Canada, and Minera Tartisan Perú S.A.C. (“Minera”), which is incorporated in Peru. All significant inter-company transactions have been eliminated upon consolidation.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES: (continued)

MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

Costs attributable to property acquisitions are capitalized as mineral properties. Exploration expenditures on the property can only be capitalized once mineral reserves have been established. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. If the mineral properties are abandoned, or when impairment in value has been determined, the capitalized costs will be charged to operations.

In Peru, 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. No amount has been accrued as at December 31, 2018. 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 December 31, 2018 (March 31, 2018 - \$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.

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.

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 consolidated 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.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES: (continued)

INCOME TAXES (continued)

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.

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.

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

Machinery and equipment.....20%

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

IMPAIRMENT OF LONG-LIVED ASSETS (EXCLUDING EXPLORATION EXPENDITURES)

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 of disposal and its value in use.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES: (continued)

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 present value of management's best estimate 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 December 31, 2018, the Company has not incurred any reclamation obligations for its Peru mineral properties (March 31, 2018 – \$nil). For the Canadian Arrow mineral properties reclamation liability, see Note 4.

INCOME / LOSS PER SHARE

Income or Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted income or 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. In a period where a net loss is reported, the stock options and warrants outstanding have no effect on the diluted loss per share reported in the period.

TRANSLATION OF FOREIGN CURRENCIES

(i) Functional currency:

The unaudited condensed interim consolidated financial statements are presented in Canadian dollars. 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.

(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 Minera Tartisan's wholly-owned subsidiary which has a different functional currency from the functional currency of the Company, are therefore translated into the functional 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;

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES: (continued)

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

TRANSLATION OF FOREIGN CURRENCIES (continued)

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 unaudited interim consolidated statement of comprehensive income (loss). When a foreign entity is sold, such exchange differences are recognized in the unaudited condensed interim consolidated statement of comprehensive income (loss) as part of the gain or loss on sale.

WARRANTS

Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. The fair value of the warrants is determined using the Black Scholes option pricing model with the residual value being allocated to the shares. For agent and finders' warrants issued in the year, in the absence of a reliable measurement of the services received, the warrants have been measured at the fair value of agent and finders' warrants issued. On the expiry of warrants, the fair value previously allocated to warrants is reclassified to contributed surplus.

CHANGE IN ACCOUNTING POLICIES

IFRS 9 — Financial Instruments ("IFRS 9") was updated by the IASB in November 2009 and will replace part of IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 addresses the classification and measurement of financial assets. The two measurement categories for financial assets include amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. On April 1, 2018, the Company adopted these amendments and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL").

Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on April 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

Classification	IAS 39	IFRS 9
Cash	FVTPL	FVTPL
Accounts receivable	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Accounts payable and other liabilities	Amortized cost	Amortized cost
Investments	FVTPL	FVTPL

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 consolidated 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.

RECENT AND FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

Accounting Standards issued but not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretation Committee that are mandatory for accounting periods beginning after January 1, 2019 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded there from. The Company is in the process of evaluating the impact on its financial statements.

IFRS 16 *Leases* sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12-months unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers*. The effect of IFRS 16 is not material to the Company and these unaudited condensed interim consolidated financial statements.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

4. MINERAL PROPERTIES AND COMMITMENTS:

	December 31, 2018	March 31, 2018
Don Pancho Property	\$ 120,000	\$ 120,000
Ichuna Property	112,500	112,500
Kenbridge Property	1,959,419	1,843,276
Alexo Property	-	334,208
	<u>\$2,191,919</u>	<u>\$2,409,984</u>

DON PANCHO PROPERTY

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

Purchase consideration:

Cash payments	\$ 50,000
Common shares of Tartisan - 500,000 at \$0.14 per share	<u>70,000</u>
Total	<u>\$ 120,000</u>

In summary, under the terms of the Definitive Agreement, Tartisan has 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 kilometers 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).

ICHUNA PROPERTY

On May 24, 2017, Tartisan completed the acquisition of the Ichuña Copper-Silver property in located in the Department of Moquegua in Southern Peru. Tartisan entered into an agreement with Duran Ventures Inc. ("Duran") to acquire 100 per cent interest in the Ichuña copper-silver property by paying Duran a cash payment \$50,000 and issuing 500,000 shares valued at \$0.125 per share totaling \$62,500. 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 retains a 2% NSR of which Tartisan may purchase half (1%) of the NSR for US\$500,000. The Ichuña property is contiguous to San Gabriel project owned by Peru's largest mining company Minas Buenaventura ("Buenaventura").

The total purchase price of the acquisition of the Ichuña property is summarized as follows:

Purchase consideration:

Cash payments	\$ 50,000
Common shares of Tartisan - 500,000 at \$0.125 per share	<u>62,500</u>
Total	<u>\$ 112,500</u>

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

4. MINERAL PROPERTIES AND COMMITMENTS: (continued)

LA VICTORIA PROPERTY

The Company, through its wholly-owned Peruvian subsidiary, Minera, owned a 100% interest La Victoria Property (the "Property"), located in the department of Ancash, in Perú. The mineral rights for the entire property area were owned 100% by Tartisan with no residual ownership royalties.

Effective October 17, 2016, the Company sold 100% of the assets of its La Victoria Project in Peru to Eloro Resources Ltd. (see below). The accumulated mineral property costs incurred as at March 31, 2017 were as follows:

Balance, April 1, 2015	\$ 129,238
Proceeds on Farm-out of mineral properties	(120,000)
Effect of foreign exchange	<u>(6,090)</u>
Balance, March 31, 2016	3,148
Sale of mineral property	<u>(3,148)</u>
Balance, March 31, 2017	<u>\$ -</u>

SALE OF LA VICTORIA PROPERTY

On October 17, 2016, Tartisan completed the final closing of the agreement for the sale of 100% interest in its La Victoria Project in Peru to Eloro Resources Ltd. in escrow pending recording and registration of all applicable transfer with the proper authorities in Peru.

As consideration for the sale of the La Victoria mineral property, Tartisan acquired direct ownership of 6 million common shares of Eloro and 3 million warrants (the "Common Shares and Warrants"). Each Warrant will allow Tartisan to purchase an additional Common Share of Eloro exercisable at a price of \$0.40 per share until expiry October 17, 2019. The Common Shares and Warrants are currently subject to a Lock-Up Agreement, whereby Tartisan will be restricted from transferring securities of Eloro for a period of eighteen months from October 17, 2016, subject to certain exceptions, and transfers subsequent to that period will be restricted for an additional 3-year period. Eloro may accelerate the expiry date of the warrants if the average closing price for common shares is at least \$1.00 per share over a period of 20 consecutive trading days after 18 months after closing day.

As a result of the sale, Tartisan also received a cash payment of \$275,000 in the year ended March 31, 2017 and a final payment of \$75,000 received on July 2, 2017, and a 2% royalty interest on the La Victoria Project, half of which can be re-purchased by Eloro for \$3.0 million.

Gain on sale of La Victoria mineral property:

Cash payments	\$ 350,000
Common shares of Eloro - 6,000,000	1,476,000
Warrants of Eloro - 3,000,000	755,645
Less: closing costs	<u>(31,487)</u>
Gain on sale of mineral property	<u>\$ 2,550,158</u>

The 6,000,000 Common Shares of Eloro are valued at \$1,476,000 based on the market price of \$0.41 per common share as at October 17, 2016 less a 35% discount for the 18 months hold period placed on the common shares. The discount was based on discounts for securities with similar hold periods from restricted stock studies. The 3,000,000 Warrants of Eloro granted were calculated with a fair value of \$755,645 using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 121 % (iii) risk free rate of 0.60%; and (iv) with an expected life of 2 years.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

4. MINERAL PROPERTIES AND COMMITMENTS: (continued)

Immediately following the closing of this transaction, Tartisan owned 6 million Common Shares of Eloro, representing 20.89% of the issued and outstanding Common Shares of Eloro, and 3 million warrants. The Warrants are subject to an acceleration clause, however the acceleration clause is not effective until after a period of 18 months from October 17, 2016. The Common Shares were acquired by Tartisan for investment purposes, and depending on the restrictions imposed by the lock-up agreement, market and other conditions, it may from time to time in the future increase or decrease its ownership, control or direction over securities of Eloro through market transactions, private agreements, or otherwise.

The share certificates, warrants, funds, promissory note and other closing documents were delivered into escrow and will be released from escrow forthwith after satisfactory completion of the recording and registration of: i) all transfers of the property interests, with the exception of the San Markito mineral concession, which will be transferred at such time that Eloro makes the final \$75,000 payment, and ii) the receipt of the Declaración de Impacto Ambiental (“DIA”) project environmental permit for the Property, to be approved by the Peruvian Ministry of the Environment.

Pursuant to the terms of the acquisition, Eloro has granted Tartisan a 2% royalty interest (the “Royalty”) on the Property, half of which can be repurchased by Eloro for \$3 million to reduce the Royalty interest to 1%.

ACQUISITION OF CANADIAN ARROW MINES LIMITED

Effective on February 28, 2018, Tartisan closed the acquisition of Canadian Arrow Mines Limited (“Canadian Arrow”) announced on October 20, 2017. Tartisan acquired all of the issued and outstanding common shares of Canadian Arrow by issuing common shares in the capital of Tartisan. Pursuant to the terms of the Agreement, Tartisan issued to each Canadian Arrow Mines Limited shareholder one common share of Tartisan for every 17.5 common shares of Canadian Arrow, resulting in the issuance of 7,858,841 common shares at a price of \$0.15 per share of Tartisan. Additionally, Tartisan would issue up to 4,056,767 common shares of Tartisan at \$0.15 per share to settle certain Canadian Arrow debt of \$608,515 pursuant to debt conversion agreements with various Canadian Arrow creditors. Transaction costs of \$130,646 have been included in the consideration paid to acquire Canadian Arrow. In addition, Canadian Arrow granted a 1% Net Smelter Return Royalty relating to its Kenbridge project as part of the debt settlement as it related to a previous loan.

This transaction did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of mineral property interests with the Company acquiring the outstanding shares of Canadian Arrow effective February 28, 2018 upon the final closing of the agreement. The consideration for the acquisition of Canadian Arrow has been allocated at the fair market value of the assets acquired and liabilities assumed, based on managements’ best estimates and taking into account of the information available at the time of the acquisition.

The fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed is summarized in the following table:

Purchase consideration:

Common shares	\$	1,178,826
Debt settlements		696,600
Transaction costs		<u>130,646</u>
Total Purchase Price	\$	<u>2,006,072</u>

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

4. MINERAL PROPERTIES AND COMMITMENTS: (continued)

Net assets acquired

Cash	\$	21,757
Receivables		15,916
Reclamation deposit		277,608
Exploration and evaluation assets		
Kenbridge		1,843,274
Alexo- Kalex		334,208
Total Assets		<u>2,492,763</u>
Accounts payables		(210,310)
Site restoration liability		(276,381)
Total Net Assets Acquired	\$	<u>2,006,072</u>

The Company's subsidiary, Canadian Arrow, has recorded a site restoration liability of \$246,881 (March 31, 2018 - \$276,381) for the cost of restoring the Alexo project relating to bulk samples and mining in prior years. These costs are estimated by management and approved by the Ontario Ministry of Northern Development and Mines ("MNDM").

SALE OF ALEXO-KALEX NICKEL DEPOSIT PROJECT

On October 25, 2018, the Company signed a Definitive Purchase Agreement with VaniCom Limited ("VaniCom") of Perth, Western Australia for the sale of a 100% interest in the Company's Alexo-Kelex Nickel Deposit Project ("Alexo") located near Iroquois Falls, Ontario (the "Property"). The purchase terms included Cdn. \$100,000 to the Company in cash on closing of the Definitive Purchase Agreement. In addition, VaniCom will issue the Company 1,750,000 common shares in the capital of VaniCom with a deemed value of Cdn. \$350,000 and subject to a six-month hold period. The Company will receive a 0.5% Net Smelter Return Royalty on any future production from Alexo.

The Company was required to issue reclamation bonds to cover the estimated restoration costs. As at December 31, 2018, a reclamation deposit of \$277,608 was held by the MNDM and will be released to the Company upon the MNDM being satisfied with the site restoration. The Definitive Purchase Agreement resulted in all risks and rewards from Alexo being transferred to VaniCom with the exception of the reclamation deposit of \$277,608 for which the rights remain with the Company.

The Definitive Purchase Agreement also includes a requirement that VaniCom incur expenditures of at least Cdn. \$750,000 on exploration and development on the Property over a 36-month period.

Sale consideration

Vanicom shares – 1,750,000	\$	350,000
Cash		150,000
Total Sale Price	\$	<u>500,000</u>

The Company recorded a gain on the sale of the Alexo-Kalex Nickel Deposit Project of \$378,620 which is recorded in the unaudited statements of comprehensive income and loss during the nine months ended December 31, 2018.

The shares of VaniCon owned by the Company represent 3% of the total issued and outstanding shares of VaniCon.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

5. MACHINERY AND EQUIPMENT:

Cost	
As at April 1, 2017	\$ 14,183
Effect of foreign exchange	488
As at March 31, 2018	\$ 14,671
Effect of foreign exchange	833
As at December 31, 2018	\$ 15,504
Accumulated Depreciation	
As at April 1, 2017	\$ 9,507
Depreciation expense	722
As at March 31, 2018	\$ 10,229
Depreciation expense	945
As at December 31, 2018	\$ 11,174
Net Book Value	
As at March 31, 2018	\$ 4,442
As at December 31, 2018	\$ 4,330

6. INVESTMENTS

a) Investment in Elora Resources Ltd.

	December 31, 2018	March 31, 2018
Common shares - 6,000,000 shares	\$2,700,000	\$5,075,000
Warrants - 3,000,000 warrants	458,703	1,433,933
Total	<u>\$3,158,703</u>	<u>\$6,508,933</u>

The Common shares and Warrants of Elora Resources Ltd. ("Eloro") were acquired by Tartisan for investment purposes and depending on the restrictions imposed by the Lock-Up Agreement, market and other conditions, it may from time to time in the future increase or decrease its ownership, control or direction over securities of Eloro through market transactions, private agreements, or otherwise.

As at the December 31, 2018 year-end, the Company had 16.4% (March 31, 2018 – 17.6%) of the outstanding common shares of Eloro, Tartisan does not exert significant influence on Eloro 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 Eloro going forward. Therefore, the Company is accounting for the Common Shares and Warrants of Eloro as a long-term investment.

As of December 31, 2018, the Eloro common shares were valued at \$2,700,000 (March 31 2018 - \$5,075,000) based on the market price of \$0.45 (March 31, 2018 - \$0.87) less a 0% (March 31, 2018 - 3%) discount for the remaining hold period placed on the common shares. The discount was based on discount for securities with similar hold periods from restricted stock studies. The 3,000,000 Eloro warrants were valued at \$458,703 (March 31, 2018 - \$1,433,933) using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0% (March 31, 2018 – 0%); (ii) expected volatility of 86.2942% (March 31, 2018 - 60%) (iii) risk free rate of 2.10% (March 31, 2018 - 1.75%); and (iv) with

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

6. INVESTMENTS: (continued)

an expected life of 0.75 years (March 31, 2018 - 0.5 years). A revaluation loss of \$3,350,230 (March 31, 2018 – gain of \$2,375,668) was recorded in the statement of comprehensive income for the change in the fair value of the investment in Eloro. The investments in common shares are considered a Level 1 and the warrants are Level 2 in the fair value hierarchy.

b) Investment in VaniCom Resources Ltd.

During the nine months period ended December 31, 2018 the Company acquired 1,750,000 shares of VaniCon, a private arms-length corporation existing under the laws of Australia. The shares were acquired in consideration for property sold by the Company to Vanicom at a price of \$0.20 per share. The total shares owned by the Company represents 3% of the total issued and outstanding shares of Vanicom. (See note 4).

	December 31, 2018	March 31, 2018
Common shares – 1,750,000 shares	\$350,000	-

7. DUE FROM AND DUE TO RELATED PARTIES:

Of the total balance, \$222,716 (March 31, 2018 - \$284,470) is due from the former CEO and a senior advisor of the Company and bears interest at 2.5% per annum, due on demand and secured by specific investments holdings held by the borrower.

The remaining balances due from and due to related parties are due from and due to certain officers and directors of the Company and are interest free with no specified terms of repayment.

8. NOTES PAYABLE:

	December 31, 2018	March 31, 2018
Gateway Solutions S.A.C.	\$ -	\$ -
Total	\$ -	\$ -

The Company entered into an arrangement with Gateway Solutions S.A.C. in fiscal 2013. whereby, Gateway Solutions S.A.C. provided a loan to the Company in the amount of USD\$34,922, 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 consolidated statement of financial position as of December 31, 2018 and were expensed as a financing fee in the consolidated statement of comprehensive loss in the fiscal year ended March 31, 2013.

The shares are to be issued to a significant shareholder of Gateway Solutions S.A.C. The Company also had guaranteed that it would contract Gateway Solutions S.A.C. to manage and operate all of its future Peruvian exploration projects; including any drilling to be performed.

During the year ended March 31, 2018, the Company repaid CDN \$8,000 on April 24, 2017 of the note payable, and the Company made a further payment of USD \$25,000 on July 1, 2017. The principal balance of the note payable of CDN \$40,975 was repaid in full as at March 31, 2018, and as a result, the guarantee granted to Gateway Solutions S.A.C. expired effective July 1, 2018.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

9. SHARE CAPITAL:

a) **Common shares:**

Authorized:

Unlimited number of common shares

(i) **Issued for cash**

Period ended December 31, 2018

On April 30, 2018, a total of 1,000,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$70,000

On August 1, 2018 a total of 1,000,000 previously issued warrants were exercised at \$0.10 per unit for aggregate gross proceeds of \$100,000

Year ended March 31, 2018

On April 24, 2017, a total of 5,000,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$350,000.

On May 11, 2017, the Company completed a private placement and issued 2,226,668 units at \$0.15 per unit for aggregate gross proceeds of \$334,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.20. Each full warrant is exercisable into one common share at an exercise price of \$0.20 expiring through November 12, 2018. The fair value of the warrants granted was \$258,886 and was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 210.81%; (iii) risk free rate of 1.09%; and (iv) with an expected life of 1.5 years; (v) share price of \$0.15.

On May 17, 2017, the Company issued 500,000 common shares to Duran Ventures Inc. at \$0.125 per share for a total value of \$62,500 in connection with the purchase of the Ichuna property in Peru (See Note 4). In accordance with the agreement, a total of 500,000 additional common shares may be issued by the Company to Duran Ventures Inc. depending on further actions or circumstances undertaken by Tartisan in connection with this property.

On October 27, 2017, 600,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$42,000.

On November 15, 2017, 1,000,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$70,000.

On November 21, 2017, the Company completed a private placement for 2,000,000 units at \$0.15 per unit for aggregate gross proceeds of \$300,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25. Each full warrant is exercisable into one common share at an exercise price of \$0.25 expiring on May 21, 2019. The fair value of the warrants granted was \$210,623 and calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 214.24%; (iii) risk free rate of 1.462%; and (iv) with an expected life of 1.0 years; (v) share price of \$0.14.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

9. SHARE CAPITAL (continued):

a) Common shares (continued):

On November 27, 2017, the Company completed a private placement for 1,400,000 units at \$0.15 per unit for gross proceeds of \$210,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25. Each warrant is exercisable into one common share at an exercise price of \$0.25 expiring on May 27, 2019. The fair value of the warrants was \$147,443 and calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 214.25%; (iii) risk free rate of 1.462%; and (iv) with an expected life of 1.0 years; (v) share price of \$0.15.

On December 27, 2017, 1,650,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$56,000.

In January, 2018, a total of 1,650,000 previously issued warrants were exercised at between \$0.07 and \$0.20 per unit for aggregate gross proceeds of \$247,000.

On March 15, 2018, the Company completed a private placement and issued 2,000,000 units at \$0.15 per unit for gross proceeds of \$300,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25. Each full warrant is exercisable into one common share at an exercise price of \$0.25 expiring through March 15, 2019. The fair value of the warrants granted was \$182,841 and was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 187.24%; (iii) risk free rate of 1.60%; and (iv) with an expected life of 1.0 year; (v) share price of \$0.16.

In March, 2018, a total of 2,000,000 previously issued warrants were exercised at \$0.07 and per unit for aggregate gross proceeds of \$140,000.

(ii) **Issued for settlement of amounts due to related parties and debt, and share cancellation and the Canadian Arrow acquisition**

Period ended December 31, 2018

There were no transactions with respect to the settlement of debt, the settlement of debt to related parties, or any issuance of shares regarding acquisitions in the period.

Year ended March 31, 2018

On January 29, 2018, the Company issued a total of 469,340 common shares were issued at a price of \$0.15 per share totalling \$70,400 for the settlement of certain debts owing to certain consultants and to directors of the Company.

Effective January 29, 2018, pursuant to the Canadian Arrow acquisition (Note 4), the Company issued a total of 4,056,667 shares to creditors of Canadian Arrow in settlement of debt of \$608,500 at a deemed price of \$0.15 per share.

Effective February 2, 2018, pursuant to the Canadian Arrow acquisition (Note 4), the Company issued a total of 7,858,841 shares to the shareholders of Canadian Arrow representing a total amount of \$1,178,826 at a deemed price of \$0.15 per share.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

9. SHARE CAPITAL (continued):

a) Common shares (continued):

Issued for services

Period ended December 31, 2018

On April 3, 2018, the Company issued 40,000 common shares at \$0.20 per common share for aggregate gross proceeds of \$8,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

On July 3, 2018, the Company issued 40,000 common shares at \$0.20 per common share for aggregate gross proceeds of \$8,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

On October 3, 2018, the Company issued 40,000 common shares at \$0.20 per common share for aggregate gross proceeds of \$8,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

Year ended March 31, 2018

On May 3, 2017, the Company completed issued 71,430 common shares at \$0.14 per common share for aggregate gross proceeds of \$10,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

On October 3, 2017, the Company completed issued 40,000 common shares at \$0.20 per common share for aggregate gross proceeds of \$8,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

On January 3, 2018, the Company completed issued 40,000 common shares at \$0.20 per common share for aggregate gross proceeds of \$8,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

On February 21, 2018, a total of 275,000 common shares were issued at a price of \$0.20 per share totalling \$55,000 for the settlement of debts owing to three consultants to the Company.

b) Warrants:

Period ended December 31, 2018

On April 3, 2018, 1,000,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$70,000.

On September 15, 2018, a total of 1,076,716 warrants issued at an exercise price of \$0.20 per unit expired and the amount of \$82,706 was transferred to contributed surplus in the period.

On October 5, 2018, a total of 1,000,000 previously issued warrants were exercised at \$0.10 per unit for aggregate gross proceeds of \$100,000.

Year ended March 31, 2018

On April 24, 2017, a total of 5,000,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$350,000.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

9. SHARE CAPITAL (continued):

(b) Warrants (continued):

On May 11, 2017, the Company completed a private placement for aggregate proceeds of \$334,000 at \$0.15 per unit and issued 2,226,668 common share purchase warrant exercisable at \$0.20 per share for a period of 1.5 years expiring through November 22, 2018. The value of the warrants calculated was \$258,886 using the Black Scholes pricing model.

On May 24, 2017, 150,000 previously issued warrants were exercised at \$0.10 per unit for aggregate gross proceeds of \$15,000.

On October 27, 2017, 600,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of 42,000.

On November 15, 2017, 1,000,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$70,000.

On November 21, 2017, the Company completed a private placement for aggregate proceeds of \$300,000 at \$0.15 per unit and issued 2,000,000 common share purchase warrant exercisable at \$0.25 per share for a period of 1.5 years expiring through May 21, 2019. The value of the warrants calculated was \$210,623 using the Black Scholes pricing model.

On November 27, 2017, the Company completed a private placement for aggregate proceeds of \$210,000 at \$0.15 per unit and issued 1,400,000 common share purchase warrant exercisable at \$0.25 per share for a period of 1.5 years expiring through May 27, 2019. The value of the warrants calculated was \$147,443 using the Black Scholes pricing model.

On December 27, 2017, 800,000 previously issued warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$56,000.

In January, 2018, a total of 1,650,000 previously issued warrants were exercised at between \$0.07 and \$0.20 per unit for aggregate gross proceeds of \$247,000.

On March 15, 2018, the Company completed a private placement and issued 2,000,000 units at \$0.15 per unit for gross proceeds of \$300,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25. Each full warrant is exercisable into one common share at an exercise price of \$0.25 expiring through March 15, 2019. The fair value of the warrants granted was \$182,841 and was calculated using the Black Scholes option pricing model.

In March, 2018, a total of 2,000,000 previously issued warrants were exercised at \$0.07 and per unit for aggregate gross proceeds of \$140,000.

As of December 31, 2018, the following share purchase warrants were outstanding:

<u>Expiry Date</u>	<u>Number of Warrants</u>	<u>Exercise price</u>
April 27, 2019	800,000	\$0.07
February 2, 2019	1,800,000	\$0.10
May 21, 2019	2,000,000	\$0.25
May 27, 2019	1,400,000	\$0.25
March 15, 2019	2,000,000	\$0.25
	<hr/>	
Total	<u>8,000,000</u>	

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

9. SHARE CAPITAL (continued):

Warrants

A summary of the status of the warrants as of December 31, 2018 and March 31, 2018 and changes during the periods are presented below:

	<u>Number of Warrants</u>	<u>Weighted average exercise price (\$)</u>
Balance, March 31, 2017	16,116,717	\$ 0.08
Issued pursuant to private placement (note 9 (a))	2,226,668	0.20
Issued pursuant to private placement (note 9 (a))	2,000,000	0.25
Issued pursuant to private placement (note 9 (a))	1,400,000	0.25
Exercised in the period	(2,000,000)	(0.07)
Exercised in the period	(5,000,000)	(0.07)
Exercised in the period	(3,240,000)	(0.07)
Exercised in the period	(200,000)	(0.10)
Exercised in the period	(1,000,000)	(0.20)
Issued pursuant to private placement (note 9 (a))	2,000,000	0.25
Balance, March 31, 2018	<u>12,303,384</u>	<u>\$ 0.18</u>
Exercised in the period	(1,000,000)	(0.07)
Exercised in the period	(1,000,000)	(0.10)
Expired in the period	<u>(2,303,384)</u>	<u>(0.20)</u>
Balance, December 31, 2018	<u>8,000,000</u>	<u>\$ 0.20</u>

c) **Agent's and Finders' Warrants:**

As of March 31, 2017, there were 240,000 Agent's and Finders' Warrants outstanding and exercisable at \$0.07 per common shares expiring on April 28, 2018. The value of the warrants was \$8,180 calculated using the Black Scholes pricing model.

On November 15, 2017, 240,000 Agent's and Finders' Warrants were exercised at \$0.07 per unit for aggregate gross proceeds of \$16,800.

There are no Agent's and Finders' warrants outstanding as at December 31, 2018.

d) **Stock Options 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 of the Company.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

9. SHARE CAPITAL (continued):

Stock Options

A summary of the status of the stock options as of December 31, 2018 and March 31, 2018 and changes during the periods are presented below:

	Number of options	Weighted average exercise price
Balance, April 1, 2017, March 31, 2018 and December 31, 2018	3,900,000	\$ 0.07

On June 7, 2016, the Board of Directors granted a total of 3,900,000 stock options to certain directors and officers exercisable into common shares at a price of \$0.07 per share expiring June 7, 2021 and were fully vested upon issuance. The fair value of the stock options granted to certain directors and officers was valued at \$193,066 and was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 235%; (iii) risk free rate of 0.63%; and (iv) expected life of 5 years and a forfeiture rate of 0%.

As of December 31, 2018, there were 3,900,000 stock options outstanding and exercisable.

e) **Units and shares to be issued:**

Period ended December 31, 2018 and Year ended March 31, 2018

As of April 1, 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 December 31, 2018 and March 31, 2018, there were 50,000 units remaining to be issued for cash proceeds received of \$5,000.

In addition, as of December 31, 2018 and March 31, 2018, 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.

10. RELATED PARTY TRANSACTIONS:

The following related party transactions occurred and were reflected in the consolidated financial statements during the three and nine months ended December 31, 2018 and 2017 as follows:

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

10. RELATED PARTY TRANSACTIONS (continued):

Key management compensation:

	<u>3-months</u> <u>Dec 31, 2018</u>	<u>9-months</u> <u>Dec 31, 2018</u>	<u>3-months</u> <u>Dec 31, 2017</u>	<u>9-months</u> <u>Dec 31, 2017</u>
Consulting fees were charged by the former Chief Financial Officer for financial management services	\$ 25,000	\$ 61,000	\$ 9,000	\$ 27,000
Corporate consulting and administrative fees were charged by a former Chief Executive Officer and a company controlled by the individual	\$	\$ 43,000	\$ 9,000	\$ 27,000
Corporate management fees were charged by a company controlled by the Chief Executive Officer	\$ 25,000	\$ 85,000	\$ 25,000	\$ 75,000
Directors fees were charged by certain directors	\$ 4,500	\$ 13,500	\$ 4,500	\$ 13,500

Other related party transactions:

During the year ended March 31, 2017, the Company issued stock options to directors and officers which had a fair value of \$193,066.

See notes 4, 6, and 7 for additional related party information.

As of December 31, 2018, accounts payable and accrued liabilities include \$40,680 (March 31, 2018 - \$7,670) due to certain of these related parties.

11. CAPITAL DISCLOSURES:

The Company considers its capital to include components of shareholders' equity, 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 totalling as at December 31, 2018 of \$6,015,602 (March 31, 2018 - \$9,505,427).

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.

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.

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

11. CAPITAL DISCLOSURES (continued):

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 fiscal periods ended December 31, 2018 and March 31, 2018. Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

12. 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	Dec 31, <u>2018</u>	March 31, <u>2018</u>
<u>Current</u>		
Canada	\$ 378,128	\$ 748,056
Perú	<u>3,969</u>	<u>14,801</u>
	382,097	762,857
<u>Non-Current</u>		
Canada	5,911,318	9,128,431
Perú	<u>71,242</u>	<u>72,536</u>
Total Assets	<u>\$ 6,364,657</u>	<u>\$ 9,963,824</u>

The following table allocates net income (loss) by segment:

	3-months <u>Dec 31, 2018</u>	9-months <u>Dec 31, 2018</u>	3-months <u>Dec 31, 2017</u>	9-months <u>Dec 31, 2017</u>
Canada	\$ 268,449	\$ (3,638,143)	\$ 1,240,339	\$ 1,592,523
Peru	\$ (463)	\$ (36,760)	\$ (30)	\$ (64,310)
Net income (loss)	\$ 267,986	\$ (3,674,903)	\$ 1,240,309	\$ 1,528,183

13. EXPLORATION COSTS:

Exploration costs have been incurred as follows:

	For the period ended December 31, 2018	December 31, 2017
Geology, technical reports and consulting, laboratory work, sample analysis and general exploration work	\$ -	\$ -
Taxes and concession payments	<u>16,385</u>	<u>15,415</u>
	<u>\$ 16,385</u>	<u>\$ 15,415</u>

TARTISAN NICKEL CORP.
(Expressed in Canadian dollars, Unaudited)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2018

14. COMMITMENTS AND CONTINGENCIES

a) Investing News Network

Tartisan entered into an agreement with the Investing News Network on November 22, 2017 for a marketing and advertising program consisting of enhancing the Company's profile, lead generation, features on the Company, and branded communication through various social media channels. Pursuant to the terms of the agreement, the program will cost a total of \$ 77,400 and the services will be rendered over a term of 14-month period from the date of closing of this agreement.

b) Legal Claims

On June 22, 2017, Tartisan was served with court documents in Peru relating to a legal claim for labour rights filed by a former general manager of the Company. In January 2017, Tartisan had previously reached a settlement agreement with the claimant and had paid the settlement amount satisfactory to the claimant and with no further amounts or obligations due. On April 16, 2018, the Company through a court proceeding successfully entered into a settlement agreement with the claimant for an amount substantially lower than the original amount sought by the claimant. The proceeding has now terminated.

On June 14, 2018, Tartisan was served with court documents in Canada relating to a legal claim by a supplier under contract with the Company. The Company intends to vigorously defend this case in court and has filed a defense and counterclaim against the supplier. No amount has been accrued in the financial statements.

15. EVENTS AFTER THE REPORTING DATE

On February 9, 2019 the Company appointed of Mr. Aamer Siddiqui as Chief Financial Officer (CFO) of the Company.