TARTISAN NICKEL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED DECEMBER 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

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

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

	As at December 31, 2020	As at March 31, 2020
ASSETS		
Current assets		
Cash	**$ 931,362**	$ 908
Accounts receivable	**220,656**	25,581
Due from related parties (note 10)	**103,193**	181,193
Prepaid expenses	**-**	14,195
Total current assets	**1,255,211**	221,877
Non-current assets		
Property and equipment (note 5)	**2,673**	3,288
Mineral properties (note 4)	**2,289,004**	2,285,769
Investments (note 6)	**8,676,300**	1,212,972
Total assets	**$ 12,223,188**	$ 3,723,906
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	**$ 155,510**	$ 230,369
Total liabilities	**155,510**	230,369
Shareholders' equity		
Share capital (note 7)	**8,942,947**	8,107,829
Units and shares to be issued	**8,750**	8,750
Reserve	**1,337,606**	133,661
Contributed surplus	**1,645,501**	1,645,501
Foreign subsidiary translation reserve	**40,739**	48,461
Retained earnings (deficit)	**92,135**	(6,450,665)
Total shareholders' equity	**$ 12,067,678**	$ 3,493,537
Total shareholders' equity and liabilities	**$ 12,223,188**	$ 3,723,906

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

Nature of operations and going concern (note 1)
Commitments and contingencies (note 12)
Subsequent events (note 14)

Tartisan Nickel Corp.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2019
Operating expenses				
Management and consulting fees (note 10)	**$ 48,838**	$ 72,190	**$ 152,322**	$ 125,940
Depreciation (note 5)	**205**	195	**615**	605
Director fees (note 10)	**9,000**	4,500	**27,000**	13,500
Foreign exchange loss	**2**	-	**1,642**	-
Interest (income) expense and bank charges	**435**	(1,205)	**994**	771
Stock based compensation (note 8)	**-**	-	**1,006,563**	-
Marketing and promotion	**61,816**	29,456	**134,081**	55,711
Office, general and administration	**10,323**	2,685	**56,517**	37,231
Professional fees (note 10)	**75,939**	25,277	**136,382**	87,942
	$ (206,558)	$ (133,098)	**$ (1,516,116)**	$ (321,700)
Gain on settlement of debt	**-**	31,852	**38,676**	31,852
Write-off of mineral interest (note 4)	**-**	-	**(112,500)**	-
Unrealized revaluation gain (loss) on investments (note 6)	**2,241,616**	(135,901)	**7,305,563**	(75,444)
Gain (loss) on sale of investments	**418,626**	(37,611)	**827,177**	(92,779)
Loss on expiry of warrants	**-**	(20,242)	**-**	(20,242)
Net income (loss) for the period	**$ 2,453,684**	$ (295,000)	**$ 6,542,800**	$ (478,313)
Other comprehensive income (loss)				
Translation difference on foreign operations	**$ -**	$ -	**$ (7,722)**	$ -
Total comprehensive income (loss) for the period	**$ 2,453,684**	$ (295,000)	**$ 6,535,078**	$ (478,313)
Income (loss) and comprehensive income (loss) per share				
Basic (note 11)	**$ 0.02**	$ (0.00)	**$ 0.06**	$ (0.00)
Diluted (note 11)	**$ 0.02**	$ (0.00)	**$ 0.06**	$ (0.00)
Weighted average number of common shares outstanding				
Basic (note 11)	**101,940,335**	99,737,391	**101,243,058**	99,737,391
Diluted (note 11)	**103,240,335**	99,737,391	**102,543,058**	99,737,391

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

Tartisan Nickel Corp.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2019
Operating activities		
Net income (loss) for the period	**$ 6,542,800**	$ (478,313)
Adjustments for:		
Depreciation	**615**	615
Write-off of mineral interest	**112,500**	-
Loss on expiry of warrants	**-**	20,242
Stock based compensation	**1,006,563**	-
(Gain) loss on sale of investments	**(827,177)**	92,779
(Gain) on settlement of debt	**(38,676)**	-
Unrealized revaluation (gain) loss on investment	**(7,305,563)**	75,444
Changes in non-cash working capital items:		
Accounts receivable	**(195,075)**	(143,032)
Prepaid expenses	**14,195**	(739)
Amounts payable and accrued liabilities	**(41,905)**	(21,304)
Bank overdraft	**-**	(3,825)
Net cash used in operating activities	**(731,723)**	(458,133)
Investing activities		
Addition of mineral properties	**(115,735)**	(84,242)
Proceeds from sale of investments	**1,029,241**	415,474
Purchase from sale of investments	**(359,829)**	-
Net cash provided by investing activities	**553,677**	331,232
Financing activities		
Proceeds from private placement, net of issuance costs	**932,500**	-
Shares issued for mineral property resources	**-**	28,000
Net advances from related parties	**78,000**	98,901
Exercise of stock options	**98,000**	-
Net cash provided by financing activities	**1,108,500**	126,901
Net change in cash	**930,454**	-
Cash, beginning of period	**908**	-
Cash, end of period	**$ 931,362**	$ -

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

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

	Number of shares	Share capital	Cumulative Units to be issued	Reserve: Reserve	Reserve: Warrants	Currency translation	Contributed surplus	Retained earnings (Deficit)	Total
Balance, March 31, 2019	99,562,391	$ 8,071,829	$ 8,750	$ 133,661	$ 358,067	$ 54,068	$ 1,287,434	$ (5,616,306)	$ 4,297,503
Shares issued for mineral property	700,000	28,000	-	-	-	-	-	-	28,000
Warrants expired	-	-	-	-	(358,067)	-	358,067	-	-
Net loss for the period	-	-	-	-	-	-	-	(478,313)	(478,313)
Balance, December 31, 2019	100,262,391	$ 8,099,829	$ 8,750	$ 133,661	$ -	$ 54,068	$ 1,645,501	$ (6,094,619)	$ 3,847,190

	Number of shares	Share capital	Cumulative Units to be issued	Reserve: Reserve	Reserve: Warrants	Currency translation	Contributed surplus	Retained earnings (Deficit)	Total
Balance, March 31, 2020	100,422,391	$ 8,107,829	$ 8,750	$ 133,661	$ -	$ 48,461	$ 1,645,501	$ (6,450,665)	$ 3,493,537
Private placement, net of issuance costs	2,325,582	656,516	-	-	275,984	-	-	-	932,500
Shares issued for services	40,000	2,000	-	-	-	-	-	-	2,000
Stock based compensation	-	-	-	1,006,563	-	-	-	-	1,006,563
Options exercised	1,400,000	176,602	-	(78,602)	-	-	-	-	98,000
Exchange difference on foreign operations	-	-	-	-	-	(7,722)	-	-	(7,722)
Net income for the period	-	-	-	-	-	-	-	6,542,800	6,542,800
Balance, December 31, 2020	104,187,973	$ 8,942,947	$ 8,750	$ 1,061,622	$ 275,984	$ 40,739	$ 1,645,501	$ 92,135	$ 12,067,678

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

1. Nature of operations and going concern

Nature of business

Tartisan Nickel Corp. ("Tartisan" or the "Company") was incorporated on March 18, 2008 under the Business Corporations Act (Ontario). The Company's registered office is at 44 Victoria Street, Suite 1102, Toronto, Ontario, M5C 1Y2. The Company is listed on the Canadian Securities Exchange ("CSE"), trading under the symbol "TN" and is currently a member of the CSE Composite Index.

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.

COVID-19

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. While the Company for a period of time slowed business activities to ensure the safety of staff and consultants, the Company's operation has been able to continue moving forward on its exploration activities despite the significant global disruptions in business operations.

Going concern uncertainty

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

For the nine months ended December 31, 2020, the Company had net income of $6,542,800 (nine months ended December 31, 2019 - net loss $478,313) and working capital of $1,099,701 (March 31, 2020 - working capital deficit of $8,492). The Company has retained earnings of $92,135 since inception (March 31, 2020 - accumulated deficit of $6,450,665). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financing's or through other arrangements. While the Company has been successful in arranging financing in the past, there can be no assurance the debt financing or any equity offering will be successful.

1. Nature of operations and going concern (continued)

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

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

2. Basis of preparation

Statement of compliance

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

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of February 25, 2021, the date the Board of Directors approved the statements.

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended March 31, 2020, other than those noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

Basis of preparation

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

Basis of consolidation

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

3. Significant accounting policies

New standards adopted

Definition of a Business (Amendments to IFRS 3)

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

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

The Company adopted this standard on April 1, 2020 and there was no material impact to the unaudited condensed interim consolidated financial statements.

New standards not yet adopted

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

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

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

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

(Expressed in Canadian Dollars)

4. Mineral properties

	Sill Lake	Kenbridge	Ichuña	Don Pancho	Total
March 31, 2019	$ -	$ 1,959,419	$ 112,500	$ 120,000	$ 2,191,919
Additions and acquisition	52,165	41,685	-	-	93,850
March 31, 2020	$ 52,165	$ 2,001,104	$ 112,500	$ 120,000	$ 2,285,769
Additions	4,800	79,510	-	31,425	115,735
Write off	-	-	(112,500)	-	(112,500)
December 31, 2020	**$ 56,965**	**$ 2,080,614**	**$ -**	**$ 151,425**	**$ 2,289,004**

Don Pancho Property

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

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

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

Ichuña 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% Net Smelter Return Royalty ("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”).

During the nine months ended December 31, 2020, the Company wrote off its investment in the Ichuña property as the significant annual taxes could not be justified in the current environment. Tartisan no longer owns Ichunia and has taken a $112,500 write down in the period.

(Expressed in Canadian Dollars)

4. Mineral properties (continued)

Canadian Arrow (Kenbridge and Alexo Properties)

Effective on February 28, 2018, Tartisan completed the acquisition of 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 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% NSR 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	130,646
Total purchase price	$ 2,006,072

Net assets acquired	
Cash	$ 21,757
Accounts receivable	15,916
Reclamation deposit	277,608
Kenbridge exploration asset	1,843,274
Alexo-Kalex exploration asset	334,208
Total assets acquired	$ 2,492,763
Less:	
Accounts payable	$ (210,310)
Site restoration liability	(276,381)
Total net assets acquired	$ 2,006,072

The Company's subsidiary, Canadian Arrow, had originally recorded a site restoration liability of $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 Ministry of Energy and Northern Development and Mines ("ENDM"). As part of the sale of the Alexo property, this restoration liability has been transferred to the buyer with no remaining obligation to the Company.

On October 27, 2020, the Company announced that it has acquired the Night Danger, Glatz nickel-copper claims located in the Turtle Pond Project area near Dryden, Ontario, consisting of 16 claim units.

(Expressed in Canadian Dollars)

4. Mineral properties (continued)

Sale of Alexo-Kelex Nickel Project

In October 2018, the Company signed a Definitive Purchase Agreement with VaniCom Resources 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 $150,000 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 $350,000. As a result of an amalgamation between VaniCon and Class 1 Nickel and Technologies Inc. ("Class 1"), the shares held by the Company in VaniCom were converted to 1,529,720 shares of Class 1 at face value. These shares are subject to a four-month hold period. The Company will receive a 0.5% NSR on any future production from Alexo.

The Company was required to issue reclamation bonds to cover the estimated restoration costs. During the year ended March 31, 2020, the reclamation deposit was received from Class 1 which was being held by the ENDM.

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

Sale consideration		
Vanicom shares - 1,750,000 (subsequently converted into Class 1 shares)	$	350,000
Cash		150,000
Site restoration liability		246,881
Total sale price	$	746,881
Carrying cost of Alexo mineral property		(368,261)
Gain on sale of Alexo mineral property	$	378,620

Sill Lake Property

During the year ended March 31, 2020, the Company completed the acquisition agreement with Klondike Bay Resources Limited to purchase a 100% interest in certain claims in the Sault Ste. Marie Mining District of Ontario.

The claims are located in Vankoughnet Township, Sault Ste. Marie Mining District, Ontario, and the purchase terms call for a total cash payment of $15,000; issuance of 700,000 common shares of the Company and a 2% net smelter return royalty (subject to a 1% buy-back provision for $250,000).

5. Property and equipment

	December 31, 2020			March 31, 2020		
	Cost	**Accumulated Amortization**	**Net Book Value**	**Cost**	**Accumulated Amortization**	**Net Book Value**
Machinery and equipment	$ 15,504	$ 12,831	$ 2,673	$ 15,504	$ 12,216	$ 3,288

(Expressed in Canadian Dollars)

6. Investments

	December 31, 2020	March 31, 2020
Eloro Resources Limited	**$ 6,788,592**	$ 1,060,000
Class 1 Nickel & Technologies Limited	**1,688,195**	152,972
Peruvian Metals Corp. - Common Shares	**163,150**	-
Peruvian Metals Corp. - Warrants	**36,363**	-
	$ 8,676,300	$ 1,212,972

Investment in Eloro Resources Limited

The Common shares of Eloro 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, 2020, the Company had 6.87% (March 31, 2020 – 10.1%) 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 of Eloro as an investment.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Eloro, an unrealized gain of $5,916,089 (nine months ended December 31, 2019 - loss $75,444) has been recorded in the unaudited condensed interim consolidated statement of comprehensive income (loss) for the nine months ended December 31, 2020.

Investment in Class 1 Nickel & Technologies Limited

During the year ended March 31, 2020, the Company acquired 1,750,000 shares of VaniCom, 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. During the year ended March 31, 2020, as a result of a reverse take-over transaction conducted by VaniCom and Class 1; the shares of VaniCom were exchanged for 1,529,720 shares of Class 1. The total shares owned by the Company represents a minority interest of the total issued and outstanding shares of Class 1. The shares held in Class 1 are classified as FVTPL and are a level 2 investment subsequently Class 1 obtained a successful listing on the Canadian Securities Exchange, and as a result has become a Level 1 investment.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Class 1, an unrealized gain of $1,314,347 (nine months ended December 31, 2019 - $nil) has been recorded in the unaudited condensed interim consolidated statement of comprehensive income (loss) for the nine months ended December 31, 2020.

Investment in Peruvian Metals Corp.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Peruvian Metals Corp. ("Peruvian") an unrealized gain of $38,764 (nine months ended December 31, 2019 - $nil) has been recorded in the unaudited condensed interim consolidated statement of comprehensive income (loss) for the nine months ended December 31, 2020.

(Expressed in Canadian Dollars)

6. Investments (continued)

Investment in Peruvian Metals Corp. (Continued)

The investments in warrants are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Peruvian Metals Corp. ("Peruvian") an unrealized gain of $36,363 (nine months ended December 31, 2019 - $nil) has been recorded in the unaudited condensed interim consolidated statement of comprehensive income (loss) for the nine months ended December 31, 2020. The fair value of the warrants as at December 31, 2020 was calculated using the Black Scholes pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 137.74%; (iii) risk free rate of 0.20%; and (iv) with an expected life of 1.76 years

7. Share capital

a) Authorized share capital

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

b) Common shares issued

Balance, March 31, 2019	99,562,391	$ 8,071,829
Shares issued for mineral property (note 4)	700,000	28,000
Balance, December 31, 2019	100,262,391	$ 8,099,829
Balance, March 31, 2020	100,422,391	$ 8,107,829
Units issued on private placement (i)	2,325,582	1,000,000
Value of warrants issued on private placement (i)	-	(239,426)
Finance costs (i)	-	(67,500)
Value of broker warrants issued on private placement (i)	-	(36,558)
Exercise of stock options (ii)	1,400,000	176,602
Shares issued for services (iii)	40,000	2,000
Balance, December 31, 2020	104,187,973	$ 8,942,947

i) On December 18, 2020, the Company completed a private placement for 2,325,582 units at $0.43 per unit for aggregate gross proceeds of $1,000,000. Each unit consisted of one flow-through share (note 12) and one half of one warrant, with each full warrant is exercisable into one common share at an exercise price of $0.60 expiring on December 18, 2022. The Company paid finders commission and closing fees of $67,500 and issued 162,790 brokers warrants. The fair value of the warrants granted was $275,984 and calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 145.52%; (iii) risk free rate of 0.20%; and (iv) with an expected life of 2.0 years; (v) share price of $0.34.

ii) During the nine months ended December 31, 2020, 1,400,000 stock options were exercised by directors and consultants of the Company for $0.07 per option.

iii) During the nine months ended December 31, 2020, the Company issued 40,000 common shares at $0.05 per common share for an aggregate gross service value of $8,000. The Company the fair value of the shares upon settlement was $2,000 upon issuance. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

(Expressed in Canadian Dollars)

8. Stock options

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

	Number of stock options	Weighted average exercise price
Balance, March 31, 2019 and December 31, 2019	2,700,000	$ 0.07
Balance, March 31, 2020	2,700,000	$ 0.07
Granted	3,900,000	0.35
Exercised	(1,400,000)	0.07
Balance, December 31, 2020	5,200,000	$ 0.33

During the nine months ended December 31, 2020, the Company granted 3,900,000 stock options to certain officers, directors, and consultants of the Company with an exercise price of $0.35. The fair value of the options granted was $1,006,563 and was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 184.45%; (iii) risk free rate of 0.36%; and (iv) with an expected life of 5.0 years

The following table reflects the actual stock options issued and outstanding as of December 31, 2020:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding
July 21, 2021	0.07	0.55	1,300,000
September 20, 2025	0.35	4.72	3,900,000
			5,200,000

(Expressed in Canadian Dollars)

9. Warrants

	Number of warrants	Weighted average exercise price
Balance, March 31, 2019	3,400,000	$ 0.25
Expired	(3,400,000)	(0.25)
Balance, December 31, 2019	-	$ -
Balance, March 31, 2020	-	$ -
Issued (note 7)	1,325,581	0.58
Balance, December 31, 2020	1,325,581	$ 0.58

The following table reflects the actual share purchase warrants issued and outstanding as of December 31, 2020:

Expiry date	Remaining contractual life (years)	Number of warrants outstanding	Exercise price ($)
December 18, 2022	1.96	1,162,791	0.60
December 18, 2022	1.96	162,790	0.43
		1,325,581	

10. Related party transactions

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

The Company paid or accrued the following amounts to related parties of the Company as defined as directors, management, and companies controlled by directors and management or companies having common directors during the three and nine months ended December 31, 2020 and December 31, 2019:

	Three months ended December 31,		Nine months ended December 31,	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Chief Financial Officer services	**11,794**	7,942	**31,178**	29,728
Consulting and management fees	**67,000**	25,000	**108,000**	75,000
Director fees	**9,000**	4,500	**36,000**	13,500

As of December 31, 2020, accounts payable and accrued liabilities include $79,660 (March 31, 2020 - $40,236) due to these related parties.

(Expressed in Canadian Dollars)

10. Related party transactions (continued)

As of December 31, 2020, the Company has amounts due from related parties of $103,193 (March 31, 2020 - $181,193).

During the nine months ended December 31, 2020, 1,200,000 stock options were exercised by Directors of the Company for $0.07 per option.

During the nine months ended December 31, 2020, 1,500,000 stock options were granted to Directors and Officers of the Company for $0.35 per option.

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

11. Income (loss) per share

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

	Three months ended December 31,		Nine months ended December 31,	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Weighted average shares outstanding				
-basic	**101,940,335**	99,737,391	**101,243,058**	99,737,391
Dilutive effect of stock options	**1,300,000**	-	**1,300,000**	-
Dilutive effect of warrants	**-**	-	**-**	-
Weighted average shares outstanding				
-diluted	**103,240,335**	99,737,391	**102,543,058**	99,737,391
Income (loss) per share	**2,453,684**	(295,000)	**6,542,800**	(478,313)
-basic	**0.02**	(0.00)	**0.06**	(0.00)
-diluted	**0.02**	(0.00)	**0.06**	(0.00)
Comprehensive income (loss) per share	**2,453,684**	(295,000)	**6,535,078**	(478,313)
-basic	**0.02**	(0.00)	**0.06**	(0.00)
-diluted	**0.02**	(0.00)	**0.06**	(0.00)

12. Commitments and contingencies

As at December 31, 2020, pursuant to the issuance of 2,325,582 units, which consisted of 2,325,852 flow-through shares on December 18, 2020 (note 7), the Company is required to incur qualifying expenditures of approximately $1,000,000 by December 31, 2022. As of December 31, 2020 the Company has fulfilled approximately $nil of the total commitment.

(Expressed in Canadian Dollars)

13. Segmented disclosure

As at December 31, 2020	Peru	Canada	Total
Current assets	$ 2,712	$ 1,252,499	$ 1,255,211
Non-current assets	151,425	10,816,552	10,967,977
For the period ended December 31, 2020			
Net (loss) income	(2,433)	6,545,233	6,542,800

As at March 31, 2020	Peru	Canada	Total
Current assets	$ 3,964	$ 217,913	$ 221,877
Non-current assets	70,020	3,432,009	3,502,029
For the period ended December 31, 2019			
Net loss	24,387	453,926	478,313

14. Subsequent event

On February 17, 2021 the Company announced that it has purchased a 100% interest in certain claims in the Sault Ste. Marie Mining District in Ontario to complete the Sill Lake lead-silver property package. A cash payment of $75,000; the issuance of 100,000 common shares of the Company, and a 2% net smelter return royalty (subject to a 1% buy-back provision for $250,000) has been paid and assigned in consideration to the vendors. The Company additionally reported that 17 single cell mining claims contiguous to the Sill Lake land package have been staked. The Sill Lake lead-silver project now consists of 47 single cell mining claims which represents 933.57 hectares.