
TARTISAN NICKEL CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE MONTHS ENDED JUNE 30, 2022
(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,	June 30, 2022	March 31, 2022
ASSETS		
<i>Current</i>		
Cash	\$ 14,622	\$ 385,565
Government remittances receivable	253,225	191,029
Due from related parties and others (note 9)	992,366	973,037
Prepaid expenses and deposits (note 4)	30,424	30,900
Investments (note 5)	6,092,750	10,912,453
<i>Total current assets</i>	7,383,387	12,492,984
Mineral properties (note 3)	8,018,476	7,525,985
Total assets	\$ 15,401,863	\$ 20,018,969
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (note 9)	\$ 374,316	\$ 490,979
Bank overdraft	124,540	-
<i>Total current liabilities</i>	498,856	490,979
Deferred tax liability	585,000	585,000
Total liabilities	1,083,856	1,075,979
SHAREHOLDERS' EQUITY		
Share capital (note 6)	10,163,134	10,163,134
Contributed surplus	1,859,598	1,859,598
Warrants	1,484,839	1,484,839
Foreign subsidiary translation reserve	83,301	84,175
Retained earnings	727,135	5,351,244
Total shareholders' equity	14,318,007	18,942,990
Total shareholders' equity and liabilities	\$ 15,401,863	\$ 20,018,969

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

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

Approved on behalf of the Board:

D. Mark Appleby Director

Douglas Flett Director

Tartisan Nickel Corp.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended June 30,	
	2022	2021
Operating expenses		
Management and consulting fees (note 9)	\$ 96,041	\$ 96,589
Director fees (note 9)	27,000	36,000
Foreign exchange loss	485	(96)
Interest and accretion	2,355	9,326
Marketing and promotion	60,475	71,741
Office, general and administration	57,121	32,622
Professional fees (note 9)	23,676	14,037
	(267,153)	(260,219)
Other items		
Unrealized revaluation (loss) gain on investments (note 5)	(3,978,001)	721,423
(Loss) gain on sale of investments (note 5)	(378,955)	179,594
Net (loss) income for the period	(4,624,109)	640,798
Other comprehensive (loss) income		
Translation difference on foreign operations	(874)	10,079
Total comprehensive (loss) income for the period	\$ (4,624,983)	\$ 650,877
Total comprehensive (loss) income per share		
- Basic (note 10)	\$ (0.04)	\$ 0.01
- Diluted (note 10)	\$ (0.04)	\$ 0.01
Weighted average number of common shares outstanding		
- Basic (note 10)	109,675,796	106,103,040
- Diluted (note 10)	109,675,796	109,965,830

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

	Three Months Ended June 30,	
	2022	2021
Operating activities		
Net (loss) income for the period	\$ (4,624,109)	\$ 640,798
<i>Items not affecting cash:</i>		
(Loss) gain on sale of investments	378,955	(179,594)
Unrealized revaluation (loss) gain on investments	3,978,001	(721,423)
Foreign exchange	(874)	10,078
<i>Changes in non-cash working capital items:</i>		
Government remittances receivable	(62,196)	(42,659)
Prepaid expenses and deposits	476	(292,275)
Accounts payable and accrued liabilities	(116,663)	(36,027)
Bank overdraft	124,540	(71,740)
Net cash used in operating activities	(321,870)	(692,842)
Investing activities		
Addition of mineral properties	(492,491)	(215,319)
Proceeds from sale of investments	974,621	1,539,141
Purchase of investments	(511,874)	(1,004,318)
Net cash (used in) provided by investing activities	(29,744)	319,504
Financing activities		
Proceeds from private placement, (net of issuance costs)	-	4,213,101
Normal course issuer bid share repurchase (note 6(b)(ii))	-	(275,000)
Net advances to related parties	(19,329)	(75,005)
Exercise of stock options	-	70,000
Net cash (used in) provided by financing activities	(19,329)	3,933,096
Net change in cash	(370,943)	3,559,758
Cash, beginning of period	385,565	21,197
Cash, end of period	\$ 14,622	\$ 3,580,955

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	Contributed Surplus	Warrants	Currency translation	Retained earnings	Total
Balance, March 31, 2021	104,787,973	\$ 9,151,871	\$ 1,004,448	\$ 275,984	\$ 44,301	\$ 6,451,628	\$ 16,928,232
Private placement, net of issuance costs	7,863,197	3,004,246	-	1,208,855	-	-	4,213,101
Normal course issuer bid share repurchase (note 6(b)(ii))	(596,000)	(275,000)	-	-	-	-	(275,000)
Options exercised	1,000,000	120,000	(50,000)	-	-	-	70,000
Exchange difference on foreign operations	-	-	-	-	10,079	-	10,079
Net income for the period	-	-	-	-	-	640,798	640,798
Balance, June 30, 2021	113,055,170	\$ 12,001,117	\$ 954,448	\$ 1,484,839	\$ 54,380	\$ 7,092,426	\$ 21,587,210
Balance, March 31, 2022	108,922,503	\$ 10,163,134	\$ 1,859,598	\$ 1,484,839	\$ 84,175	\$ 5,351,244	\$ 18,942,990
Exchange difference on foreign operations	-	-	-	-	(874)	-	(874)
Net loss for the period	-	-	-	-	-	(4,624,109)	(4,624,109)
Balance, June 30, 2022	108,922,503	\$ 10,163,134	\$ 1,859,598	\$ 1,484,839	\$ 83,301	\$ 727,135	\$ 14,318,007

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

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2022

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Nature of business

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

The Company is in the business of acquiring, exploring for and developing mineral properties in Canada and in Peru. Substantially all of the efforts of the Company are devoted to these business activities. The ability of the Company to carry out its business plan rests with its ability to achieve profitable business operations, to secure equity and other financing.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

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 three months ended June 30, 2022, the Company had net loss from operations of \$267,153 (three months ended June 30, 2021 - \$260,219) and working capital of \$6,884,531 (March 31, 2022 - \$12,002,005). The Company has retained earnings of \$727,135 since inception (March 31, 2022 - \$5,351,244). 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.

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended June 30, 2022
(Expressed in Canadian Dollars)
Unaudited

1. Nature of operations and going concern (continued)

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

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

2. Basis of preparation

Statement of compliance

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

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 29, 2022, 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, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

Basis of preparation

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

Basis of consolidation

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

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended June 30, 2022
(Expressed in Canadian Dollars)
Unaudited

2. Basis of preparation (continued)

New standards adopted

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) Amendments

The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract.

The Company adopted the amendments on April 1, 2022, there was no significant impact as a result of the adoption of the accounting policy.

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.

3. Mineral properties

	Sill Lake	Kenbridge	Don Pancho	Total
March 31, 2021	\$ 187,923	\$ 2,416,890	\$ 172,148	\$ 2,776,961
Additions and acquisitions	5,664	4,723,763	19,597	4,749,024
March 31, 2022	193,587	7,140,653	191,745	7,525,985
Additions	-	474,944	17,547	492,491
June 30, 2022	\$ 193,587	\$ 7,615,597	\$ 209,292	\$ 8,018,476

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2022

(Expressed in Canadian Dollars)

Unaudited

3. Mineral properties (continued)

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).

Kenbridge Property

The Company acquired its Kenbridge property in fiscal 2018 as part of the acquisition of its wholly-owned subsidiary Canadian Arrow. The Kenbridge property is located in the north-central part of the Atikwa Lake area and the south-central part of the Fisher Lake Area, Kenora Mining Division, approximately 70 kilometres east-south east of the Town of Kenora, in northwestern Ontario.

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

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

Sill Lake Property

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

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

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended June 30, 2022
(Expressed in Canadian Dollars)
Unaudited

4. Prepaid expenses and deposits

	June 30, 2022	March 31, 2022
Prepaid expenses	\$ 30,407	\$ 30,883
Share repurchase deposits	17	17
Total	\$ 30,424	\$ 30,900

5. Investments

	June 30, 2022	March 31, 2022
Eloro Resources Limited	\$ 514,150	\$ 2,160,852
Class 1 Nickel & Technologies Limited	1,956,900	2,247,750
Peruvian Metals Corp. - Common shares	1,930,280	3,985,140
Peruvian Metals Corp. - Warrants	15,415	80,015
Silverbullet Mines Inc. - Common shares	1,506,150	2,164,800
Silverbullet Mines Inc. - Warrants	69,855	173,896
New Break Resources Ltd.	100,000	100,000
Total	\$ 6,092,750	\$ 10,912,453

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 June 30, 2022, the Company had 0.25% (March 31, 2022 – 0.70%) 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 a financial asset classified at FVPTL.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Eloro, an unrealized loss of \$310,469 has been recorded in the unaudited condensed interim consolidated statement of (loss) income and comprehensive (loss) income for the three months ended June 30, 2022 (three months ended June 30, 2021 - an unrealized gain of \$1,765,004).

During the three months ended June 30, 2022, the Company sold 257,400 common shares and recognized a realized loss on the sale of \$377,648.

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2022

(Expressed in Canadian Dollars)

Unaudited

5. Investments (continued)

Class 1 Nickel & Technologies Limited

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

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Class 1, an unrealized loss of \$479,998 has been recorded in the unaudited condensed interim consolidated statement of (loss) income and comprehensive (loss) income for the three months ended June 30, 2022 (three months ended June 30, 2021 - an unrealized loss of \$921,345).

Peruvian Metals Corp.

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

As at the June 30, 2022, the Company had 24.46% (March 31, 2022 – 23.76%) of the outstanding common shares of Peruvian, Tartisan does not exert significant influence on Peruvian since it does not have representation on the Board of Directors, does not participate in management or decision-making processes, does not share in any management personnel and there are no material business dealings or transactions between Tartisan and Peruvian. The investment is not a strategic investment in Peruvian, as the Company continuously sells the shares to meet cash flow requirements. Therefore, the Company is accounting for the common shares of Peruvian as a financial asset classified at FVTPL.

The investments in common shares are considered a Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Peruvian an unrealized loss of \$2,134,396 has been recorded in the unaudited condensed interim consolidated statement of (loss) income and comprehensive (loss) income for the three months ended June 30, 2022 (three months ended June 30, 2021 - unrealized loss of \$64,461).

The investments in warrants are considered a Level 2 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Peruvian an unrealized loss of \$64,600 has been recorded in the unaudited condensed interim consolidated statement of (loss) income and comprehensive (loss) income for the three months ended June 30, 2022 (three months ended June 30, 2021 - unrealized loss of \$8,552). The fair value of the warrants as at June 30, 2022 was calculated using the Black Scholes pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 131.90%; (iii) risk free rate of 3.60%; and (iv) with an expected life of 0.27 years.

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended June 30, 2022
(Expressed in Canadian Dollars)
Unaudited

5. Investments (continued)

Silverbullet Mines Inc.

As at the June 30, 2022, the Company had 8% (March 31, 2021 – 3%) of the outstanding common shares of Silverbullet, Tartisan does not exert significant influence on Silverbullet 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 Silverbullet going forward. Therefore, the Company is accounting for the common shares of Silverbullet as a financial asset classified at FVPTL.

The investments in common shares are considered and transferred to Level 1 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Silverbullet an unrealized loss of \$884,497 has been recorded in the unaudited condensed interim consolidated statement of (loss) income and comprehensive (loss) income for the three months ended June 30, 2022 (three months ended June 30, 2021 - unrealized loss of \$nil).

The investments in warrants are considered and transferred to Level 2 in the fair value hierarchy. As a result of changes in the fair market value of the shares held in Silverbullet an unrealized loss of \$104,041 has been recorded in the unaudited condensed interim consolidated statement of (loss) income and comprehensive (loss) income for the three months ended June 30, 2022 (three months ended June 30, 2021 - \$nil). The fair value of the warrants as at June 30, 2022 was calculated using the Black Scholes pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 120%; (iii) risk free rate of 0.91%; and (iv) with an expected life of 1.10-1.35 years.

During the three months ended June 30, 2022, the Company sold 10,000 common shares and recognized a realized loss of \$1,307 (three months ended June 30, 2021 - \$nil).

New Break Resources Inc.

As at June 30, 2022, the Company had 3% (March 31, 2022 – 3%) of the outstanding common shares of New Break, Tartisan does not exert significant influence on New Break 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 New Break going forward. Therefore, the Company is accounting for the common shares of New Break as a financial asset classified at FVPTL. The investments in common shares are considered a Level 3 in the fair value hierarchy. There were no changes in the fair market value of the shares during the three months ended June 30, 2022.

Fair value hierarchy

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

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at June 30, 2022 and March 31, 2022.

	Level 1	Level 2	Level 3	Total
June 30, 2022 - Investments	\$ 5,907,480	\$ 85,270	\$ 100,000	\$ 6,092,750
March 31, 2022 - Investments	\$ 10,558,542	\$ 253,911	\$ 100,000	\$ 10,912,453

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2022

(Expressed in Canadian Dollars)

Unaudited

6. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, March 31, 2021	104,787,973	\$ 9,151,871
Units issued on private placement (iii)	7,863,197	4,482,022
Value of warrants issued on private placement (iii)	-	(1,101,950)
Finance costs (iii)	-	(268,921)
Value of broker warrants issued on private placement (iii)	-	(106,905)
Exercise of stock options (i)	1,000,000	120,000
Normal course issuer bid share repurchase (ii)	(596,000)	(275,000)
Balance, June 30, 2021	113,055,170	\$ 12,001,117
Balance, March 31, 2022 and June 30, 2022	108,922,503	\$ 10,163,134

i) During the three months ended June 30, 2021, an aggregate of 1,000,000 stock options were exercised at \$0.07 per option. 500,000 stock options were exercised by a Director of the Company at \$0.07 per option, and 500,000 stock options were exercised by a consultant of the Company at \$0.07 per option.

ii) During the three months ended June 30, 2021, the Company repurchased 596,000 common shares for \$275,000 as part of the normal course issuer bid share purchase.

iii) On June 7, 2021 and June 18, 2021, the Company completed tranches 1 and 2 of a private placement by issuing a total of 7,863,197 units at \$0.57 per unit for gross proceeds of \$4,482,022. Each unit consisted of one flow-through share and one-half of one warrant, with each full warrant exercisable into one common share at an exercise price of \$0.85 expiring two years from the date of issuance. The Company paid finders commission and closing fees of \$268,921 and issued 338,334 broker warrants, with an exercise price of \$0.57. The fair value of the broker warrants granted was \$106,905 and the fair value of the warrants granted was \$1,101,950. The fair value of the warrants and broker warrants was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 127%-128%; (iii) risk free rate of 0.32%-0.45%; and (iv) with an expected life of 2.0 years; (v) share price of \$0.51-\$0.53.

7. Stock options

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

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2022

(Expressed in Canadian Dollars)

Unaudited

7. Stock options (continued)

	Number of stock options	Weighted average exercise price
Balance, March 31, 2021	4,700,000	\$ 0.29
Exercised (note 6(b)(i))	(1,000,000)	0.07
Balance, June 30, 2021	3,700,000	\$ 0.35
Balance, March 31, 2022 and June 30, 2022	5,700,000	\$ 0.44

The following table reflects the actual stock options issued and outstanding as of June 30, 2022:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
September 20, 2025	0.35	3.23	3,700,000	3,700,000
July 13, 2026	0.60	4.04	2,000,000	2,000,000
Total	0.44	3.51	5,700,000	5,700,000

8. Warrants

	Number of warrants	Weighted average exercise price
Balance, March 31, 2021	1,325,581	\$ 0.58
Issued (note 6(b)(iii))	4,269,933	0.83
Balance, June 30, 2021	5,595,514	\$ 0.77
Balance, March 31, 2022 and June 30, 2022	5,595,514	\$ 0.77

The following table reflects the actual share purchase warrants issued and outstanding as of June 30, 2022:

Expiry date	Remaining contractual life (years)	Number of warrants outstanding	Exercise price (\$)
December 18, 2022	0.47	1,162,791	0.60
December 18, 2022	0.47	162,790	0.43
June 7, 2023	0.94	1,668,399	0.85
June 7, 2023	0.94	66,750	0.57
June 18, 2023	0.97	2,263,200	0.85
June 18, 2023	0.97	271,584	0.57
		5,595,514	

Tartisan Nickel Corp.
Notes to Condensed Interim Consolidated Financial Statements
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9. Related party transactions

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

The Company paid or accrued the following amounts to related parties of the Company as defined as directors, management, and companies controlled by directors and management or companies having common directors during the three months ended June 30, 2022 and June 30, 2021:

	Three months ended	
	June 30,	
	2022	2021
	\$	\$
Chief Financial Officer fees	6,783	7,896
Consulting and management fees	51,000	51,000
Director fees	27,000	36,000

As of June 30, 2022, accounts payable and accrued liabilities include \$83,500 (March 31, 2022 - \$91,215) due to these related parties.

During the three months ended June 30, 2021, 500,000 stock options were exercised by a Director of the Company at \$0.07 per option.

As at June 30, 2022, the Company had a loan due from an advisor (a former Chief Executive Officer) \$187,134 (March 31, 2022 - \$187,134), this amount is included in amounts due from related parties and others. The loan is due on demand, non-interest bearing and is secured by a general security agreement giving the Company first charge on all assets of Moretti Investments Ltd.

As at June 30, 2022, the Company has a loan due from a Director of the Company of \$805,232 (March 31, 2022 - \$785,903), this amount is included in amounts due from related parties and others. The loan is due on demand, unsecured, and non-interest bearing.

10. (Loss) income per share

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

Tartisan Nickel Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2022

(Expressed in Canadian Dollars)

Unaudited

10. (Loss) income per share (continued)

	Three months ended June 30,	
	2022	2021
Weighted average shares outstanding		
-basic	109,675,796	106,103,040
Dilutive effect of stock options	-	3,700,000
Dilutive effect of warrants	-	162,790
Weighted average shares outstanding -diluted	109,675,796	109,965,830
per share	\$ (4,624,109)	\$ 640,798
-basic	\$ (0.04)	\$ 0.01
-diluted	\$ (0.04)	\$ 0.01
Comprehensive per share	\$ (4,624,983)	\$ 650,877
-basic	\$ (0.04)	\$ 0.01
-diluted	\$ (0.04)	\$ 0.01

11. Commitments and contingencies

The Company is required to incur qualifying expenditures \$1,000,000 by December 31, 2022, and \$4,482,022 by December 31, 2022 as part of the flow-through funding agreement. As at June 30, 2022, the Company has spent \$5,482,022 related to the flow-through funding agreement, and has completed its commitment. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants.

12. Segmented disclosure

As at June 30, 2022	Peru	Canada	Total
Current assets	\$ 10,087	\$ 7,373,300	\$ 7,383,387
Non-current assets	\$ -	\$ 8,018,476	\$ 8,018,476
For the three months ended June 30, 2022			
Net (loss)	\$ (44,774)	\$ (4,579,335)	\$ (4,624,109)
As at March 31, 2022			
Current assets	\$ 10,087	\$ 12,482,897	\$ 12,492,984
Non-current assets	\$ 191,745	\$ 7,334,240	\$ 7,525,985
For the three months ended June 30, 2021			
Net (loss) income	\$ (6,799)	\$ 647,597	\$ 640,798

13. Subsequent events

On August 15, 2022, the Company announced its intention to commence a normal course issuer bid ("NCIB"), under which the Company may purchase up to 5,446,125 of the Company's common shares, representing approximately 5% of the issued and outstanding common shares of the Company.