

**Tartisan Nickel Corp.**  
(CSE: TN / OTCQB: TTSRF / FSE: 8TA)

**Consolidation Opportunities in an Emerging Nickel Region**

**BUY**

**Current Price: C\$0.19**

**Fair Value: C\$0.45**

**Risk: 5**

[Click here for more research on the company](#)

**Sector: Junior Resource**

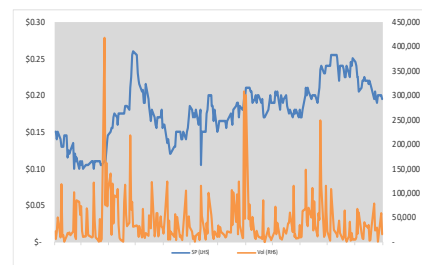
**Highlights**

- TN is up 19% since our previous report in May 2024, outperforming the Sprott Nickel Miners ETF, which is down 29% over the same period.
- Tartisan has started constructing **an all-season road** to its flagship Kenbridge nickel project in Ontario. Additionally, environmental baseline studies are ongoing, with plans to commence a pre-feasibility study by 2026.
- Kenbridge hosts high-grade open-pit/underground resources totaling 146 Mlbs Ni, and 78 Mlbs copper. The property hosts **class 1 nickel**, essential for lithium-ion batteries in electric vehicles/EVs.
- Although EV metal prices have weakened due to slower EV sales growth, and rising supply, we maintain **a positive long-term outlook on the EV sector**. Battery and EV manufacturers, along with miners, are actively seeking stable and long-term supply sources of EV metals.
- A 2022 Preliminary Economic Assessment (PEA) on the Kenbridge project **returned** an After Tax-NPV5% of \$109M, and an AT-IRR of 20%, using US\$10/lb nickel vs the current spot price of US\$7/lb. The project's break-even nickel price is US\$8/lb for a minimum 8% IRR.
- Nickel prices are down 11% YoY amid a higher supply surplus, and a stronger US\$. With the market expected to stay in a supply surplus in 2025, we foresee nickel prices remaining soft in the near term. However, **we anticipate long-term prices to range between US\$8-US\$10/lb**, as most large undeveloped nickel projects cannot generate attractive economics if prices fall below US\$8/lb.
- Although near-term EV prospects are impacted by Trump's policy changes and reduced incentives, global EV sales growth forecasts remain robust (15-20% in 2025 vs. 25% in 2024). While Trump's tariff threats create uncertainties, **we anticipate demand for consolidating EV metal sources in North America** to reduce reliance on China.
- TN is trading at \$0.12/lb NiEq vs the sector average of \$0.19/lb, **a 40% discount**.
- **Upcoming catalysts** include completion of the all-season road, resource upgrade/expansion drilling, and M&A prospects.

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Head of Research

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Equity Analyst

**Price Performance (1-year)**



	YTD	12M
TN	-14%	36%
CSE	-8%	-32%

**Company Data**

52 Week Range	C\$0.09 - C\$0.26
Shares O/S	131M
Market Cap.	C\$25M
Yield (forward)	N/A
P/E (forward)	N/A
P/B	2.1x

**Key Financial Data (FYE - March 31)**

(C\$)	FY2024 (6M)
Cash	\$1,788
Working Capital	\$1,282,412
Mineral Assets	\$9,341,263
Total Assets	\$11,850,631
Net Income (Loss)-Adj.	-\$378,964
EPS	-\$0.003

\*Subsequent to Q2-FY2024, TN raised \$2M through equity financings.

**\*This report and research coverage is paid for and commissioned by the issuer. See last page for other important disclosures, rating, and risk definitions. All figures in C\$ unless otherwise specified.**

## Portfolio Summary

Project	Kenbridge	Sill Lake	Turtle Pond
Ownership	100%	100%	100%
Location	NW, Ontario	Sault Ste. Marie, Ontario	NW, Ontario
Target Commodities	Nickel and Copper	Silver and Lead	Nickel, Copper, and Cobalt
Key Features	4,273 ha; located 80 km north of New Gold's (TSX: NGD) Rainy River gold mine	1,155 ha; 2021 resource: M&I - 0.5 Moz Ag and 1.5 Mlbs Zn	2,200 ha; located 70 km from Kenbridge
	Hosts high-grade nickel resources; A PEA returned an <b>After Tax-NPV5% of \$109M, and a high AT-IRR of 20%</b> , using US\$10/lb nickel.	Historic production totaling 7,000 tonnes of ore containing lead and silver	Mineralization identified in 12 trenches along a 700 m trend; 2009 diamond drilling intersected 4.53% Ni over 0.7 m

Source: Company / FRC

*Owns three polymetallic projects in Ontario*

*Located in an emerging nickel region, home to several advanced-stage nickel juniors, presenting opportunities for consolidation*

*Notably, Talon Metals (TSX: TLO, MCAP: \$70M) has an offtake agreement with Tesla (NASDAQ: TSLA) for its Tamarack nickel project in Minnesota*

*Kenbridge's mineralization is similar to Tamarack, and could serve as a potential source of feed for Talon's proposed processing plant*

## Kenbridge Nickel Project

### Located in an Emerging Nickel Region in North America



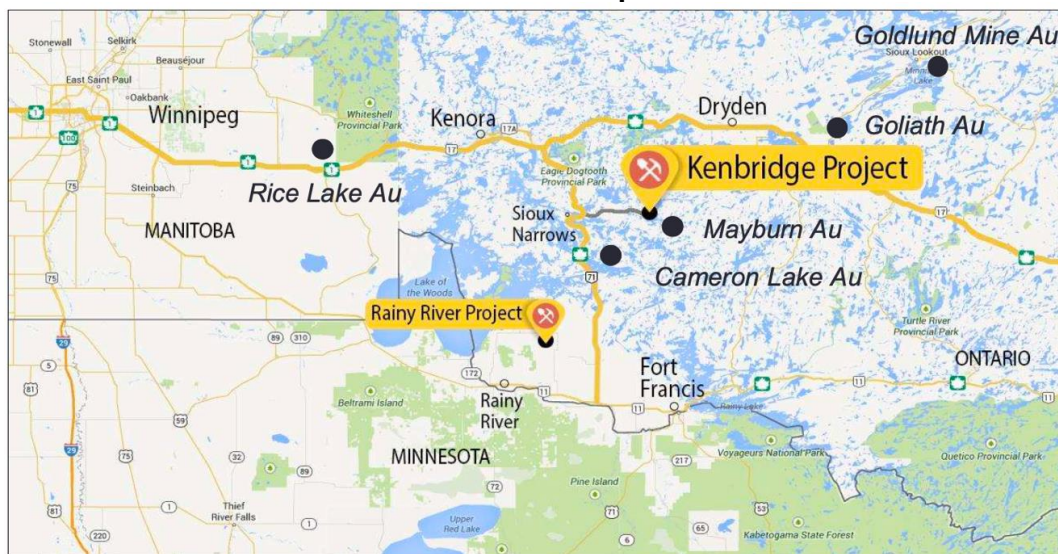
Source: Company

Located 80 km north of New Gold's (TSX: NGD) Rainy River gold mine which has been in production since 2017

TN has an exploration agreement in place with First Nations groups in the area

Management anticipates completing the construction, and related upgrades, by September 2025

### Location Map



Source: Company

In September 2024, TN began **constructing a 12.7 km long all-season road** to the Kenbridge project, a move projected to significantly lower exploration costs. Additionally, environmental baseline studies are ongoing.

### All Season Access Road



Source: Company

The project hosts a high-grade nickel sulphide deposit. Since 1937, 667 drill holes (99,741 m) have been completed on the project.

Open-pit and underground resources totaling 146 Mlbs Ni, and 78 Mlbs copper

The deposit measures 250 m long x 60 m wide x 900 m deep

Underground resources have an average nickel grade of 1.08%; we view grades of 1%+ as high

A 2022 PEA targeted deeper/higher-grade resources

Higher-grade ore will be accessed in the initial years, implying potential for relatively high cash flows in the early stages

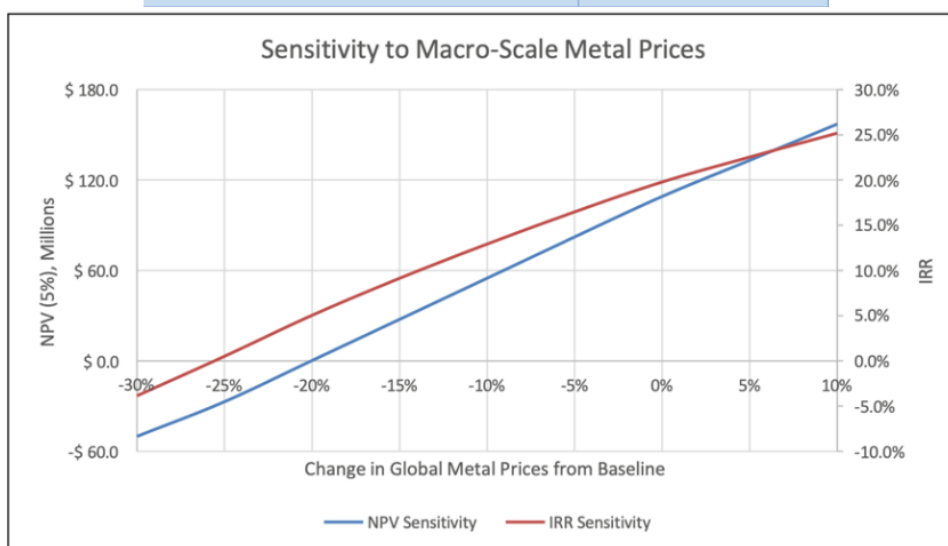
AT-NPV5% of \$109M, and a high AT-IRR of 20%, using US\$10/lb nickel, and US\$3.8/lb in cash costs; the current spot price of nickel is US\$7/lb; the project's break-even price is US\$8/lb for a minimum 8% IRR

### Consolidated Resource Estimate

Class	Cut-off NSR	Tonnes (K)	Ni (%)	Ni (Mlb)	Cu(%)	Cu (Mlb)	Co(%)	Co (Mlb)
<b>2022 UG Resources</b>								
Measured	100	1,867	0.99	41	0.50	21	0.017	0.7
Indicated	100	1,578	0.95	33	0.53	19	0.009	0.3
<b>M&amp;I</b>	<b>100</b>	<b>3,445</b>	<b>0.97</b>	<b>74</b>	<b>0.52</b>	<b>39</b>	<b>0.013</b>	<b>1.0</b>
Inferred	100	1,014	1.47	33	0.67	15	0.011	0.2
<b>Total</b>		<b>4,459</b>		<b>107</b>		<b>54</b>		<b>1.2</b>
<b>2020 Open Pit Resource, net of tonnage moved to UG</b>								
<b>M&amp;I</b>	100	4,236	0.42	39	0.26	24	0.008	0.8
<b>Total</b>		<b>8,695</b>		<b>146</b>		<b>78</b>		<b>2.0</b>
<b>M&amp;I + 50% Inferred</b>		<b>8,188</b>		<b>129</b>		<b>71</b>		<b>1.9</b>

### 2022 PEA Highlights

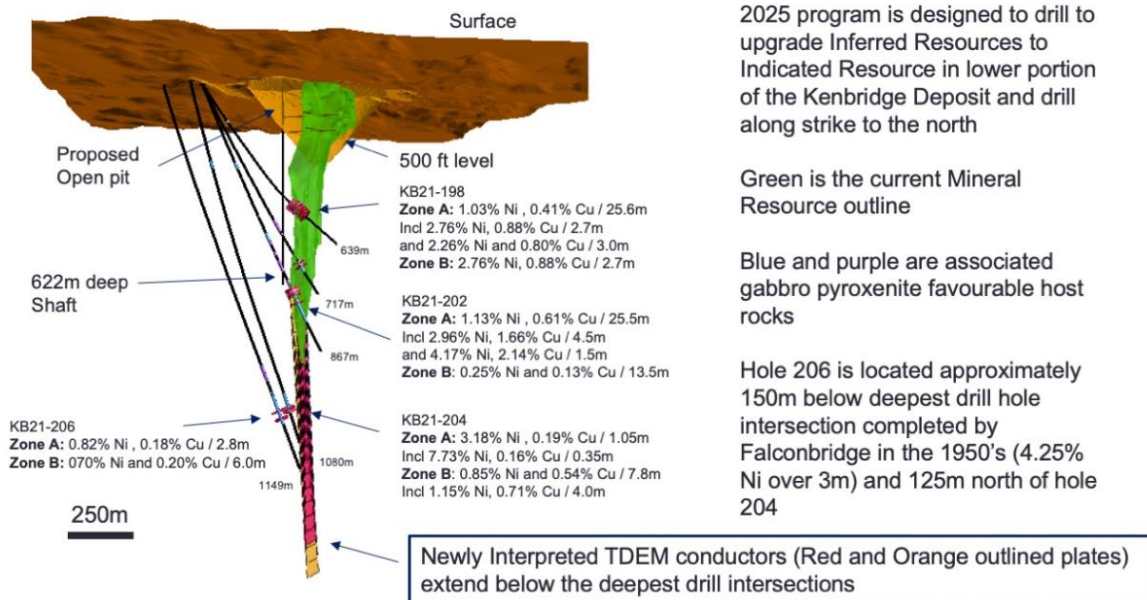
Highlights	2022 PEA
AT-NPV5%	\$109M
AT-IRR	20.0%
Payback period (after-tax)	3.5 years
Cash Costs	US\$3.8/lb NiEq
Processing Throughput	1,500 tonnes per day
Mine life	9 years
Life-of-mine nickel production	52.6 Mlbs
Life-of-mine copper production	30.7 Mlbs
Nickel price	US\$10/lb
Copper price	US\$4/lb
Initial CAPEX	US\$134M
Exchange rate	0.78 US\$/C\$



Source: Company

TN is planning an aggressive resource expansion program, with a focus on evaluating mineralization along strike and down dip, as well as upgrading inferred resources to the indicated category.

**Key Drill Results & Resource Expansion Potential**



*We note that nickel sulphide deposits often have extensive vertical depths, with offset or parallel zones*

Source: Company

**Management's near-term plans include the following:**

- \$4M for resource expansion and upgrade drilling
- <\$1M for EM and IP surveys, as well as geotechnical drilling and testing
- \$1.5M for environmental baseline studies related to project permitting, and completion of the all-season access road

TN aims to commence a pre-feasibility study by 2026.

**Financials**

(in C\$) (FYE- March 31)	FY2024 (6M)
Cash	\$1,788
Working Capital	\$1,282,412
Current Ratio	2.05
Monthly Burn Rate (G&A)	-\$60,398
Cash Spent on Properties	-\$90,445
Cash from Financing Activities	-

Source: FRC / Company

*Subsequent to Q2-FY2024, TN raised \$2M through equity financings*

Options	#	Exercise Price	Amount
Total	5,700,000	\$0.44	\$2,495,000
In-the-Money	-	-	-
Warrants	#	Exercise Price	Amount
Total	1,388,889	\$0.40	\$555,556
In-the-Money	-	-	-

Source: FRC / Company

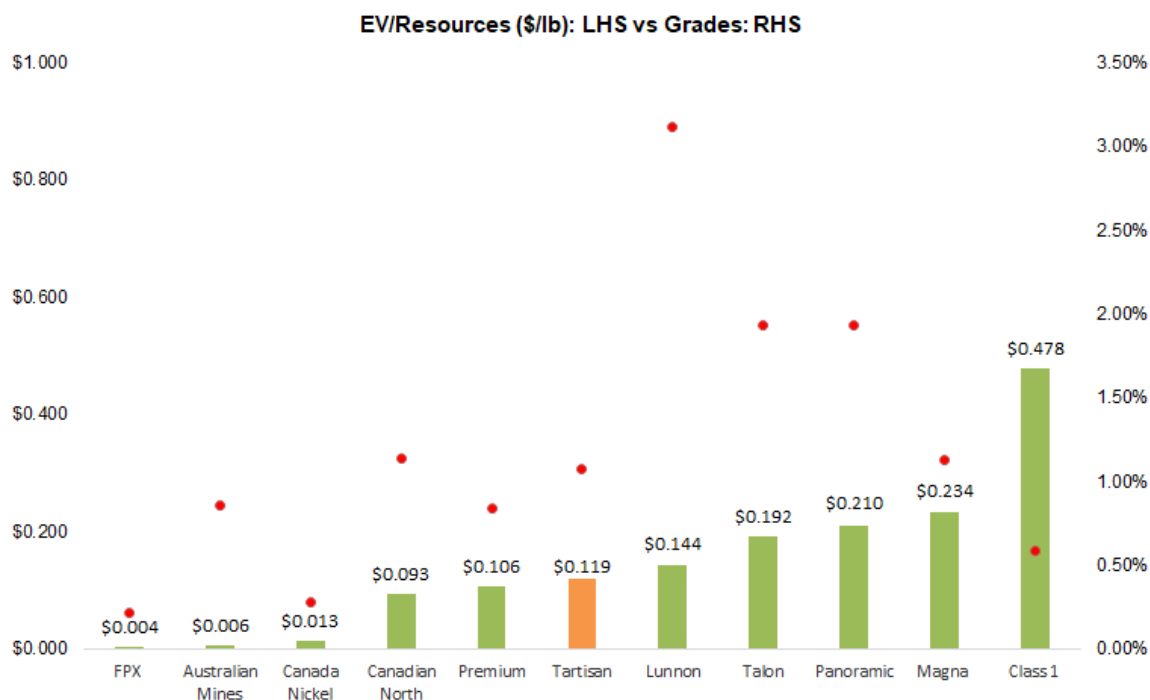
## FRC Valuation and Rating

The following table compares TN to other high-grade nickel juniors.

Juniors with higher grades generally exhibit a higher EV/lb

TN is trading at \$0.12/lb NiEq vs the sector average of \$0.19/lb (previously \$0.27/lb), a 40% discount

Applying \$0.19/lb to TN's resources, we arrived at a fair value estimate of \$0.30/share (previously \$0.38/share)



Source: FRC / S&P Capital IQ / Various Companies

We are not making any material changes to our DCF model

However, our DCF valuation increased from \$0.55 to \$0.60/share due to a stronger US\$

DCF Valuation		
Mine Life (years)		15
Throughput (tpd)		1,500
Total Tonnage (Mt)		7.74
	<b>UG Grade</b>	<b>Price (US\$/lb)</b>
Ni	1.09%	\$8.50
Cu	0.55%	\$3.50
Initial Capital Cost (\$, M)		\$134
Average Cash Cost (US\$/lb NiEq)		\$3.97
Exchange rate (C\$:US\$)		1.40
Discount Rate		11.6%
<b>After-Tax Net Asset Value (C\$)</b>		<b>\$75,790,595</b>
Working Capital - Debt		\$2,940,822
<b>Fair Value of TN (C\$)</b>		<b>\$78,731,417</b>
No. of Shares (treasury stock method)		130,995,782
<b>Fair Value per Share (C\$)</b>		<b>\$0.60</b>

Our valuation remains highly sensitive to nickel prices

C\$:US\$ - 1.4		Nickel Price (US\$/lb)				
		\$8.0	\$8.3	\$8.5	\$9.5	\$10.5
Discount Rate	7.5%	\$0.91	\$0.99	\$1.07	\$1.37	\$1.68
	10.0%	\$0.63	\$0.70	\$0.76	\$1.01	\$1.26
	11.6%	\$0.49	\$0.55	\$0.60	\$0.82	\$1.04
	12.5%	\$0.42	\$0.48	\$0.53	\$0.73	\$0.94
	15.0%	\$0.27	\$0.31	\$0.35	\$0.52	\$0.70

Cu Price (US\$/lb)		Nickel Price (US\$/lb)				
		\$8.0	\$8.3	\$8.5	\$9.5	\$10.5
	\$3.00	\$0.43	\$0.49	\$0.54	\$0.76	\$0.98
	\$3.25	\$0.46	\$0.52	\$0.57	\$0.79	\$1.01
	\$3.50	\$0.49	\$0.55	\$0.60	\$0.82	\$1.04
	\$3.75	\$0.52	\$0.58	\$0.63	\$0.85	\$1.07
	\$4.00	\$0.55	\$0.60	\$0.66	\$0.88	\$1.10

Source: FRC

**We are reiterating our BUY rating, while adjusting our fair value estimate from \$0.47 to \$0.45/share (the average of our DCF and comparables valuations).** Valuation declined slightly due to lower sector multiples, partially offset by the positive impact of a stronger US\$.

Despite facing near-term headwinds from price volatility and policy uncertainties, we believe the long-term outlook for EV metals remains strong, fueled by robust EV sales growth forecasts, and **the industry's drive for secure, domestic supply chains**. TN's Kenbridge project, with its high-grade resources located in an emerging nickel region, presents a compelling value proposition, particularly for larger industry players seeking strategic acquisitions. We note that through regional resource consolidation, and centralized processing, individual project economics can improve significantly through lower CAPEX, and a quicker path to production.

### Risks

We believe the company is exposed to the following key risks (not exhaustive):

- **Volatility in nickel and copper prices**
- Exploration and development
- **Project financing** may take longer than expected
- EIA and permitting
- No guarantee that the company will be able to simultaneously advance all of its projects
- Ongoing support from First Nation communities near the project is crucial

*Maintaining our  
risk rating of 5  
(Highly  
Speculative)*



**Fundamental Research Corp. Equity Rating Scale:**

**Buy** – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk

**Hold** – Annual expected rate of return is between 5% and 12%

**Sell** – Annual expected rate of return is below 5% or the expected return is not commensurate with risk

**Suspended or Rating N/A**— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

**Fundamental Research Corp. Risk Rating Scale:**

**1 (Low Risk)** - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

**2 (Below Average Risk)** - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

**3 (Average Risk)** - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

**4 (Speculative)** - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

**5 (Highly Speculative)** - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues and may rely on external funding. These stocks are considered highly speculative.

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