TARTISAN NICKEL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Tartisan Nickel Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tartisan Nickel Corp. (the Company), which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company had net cash used in operating activities of $858,268 for the year ended March 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
July 27, 2021

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

		As at March 31, 2021		As at March 31, 2020
ASSETS				
Current assets				
Cash	**$**	**21,197**	$	908
Accounts receivable		**14,000**		25,581
Due from related parties (note 11)		**448,626**		181,193
Prepaid expenses and deposits		**107,432**		14,195
Investments (note 6)		**14,281,757**		1,212,972
Total current assets		**14,873,012**		1,434,849
Non-current assets				
Property and equipment (note 5)		**-**		3,288
Mineral properties (note 4)		**2,776,961**		2,285,769
Total assets	**$**	**17,649,973**	$	3,723,906
EQUITY AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 11)	**$**	**280,001**	$	230,369
Bank overdraft		**71,740**		-
Deferred tax liability (note 14)		**370,000**		-
Total liabilities		**721,741**		230,369
Shareholders' equity				
Share capital (note 8)		**9,143,121**		8,107,829
Units and shares to be issued		**8,750**		8,750
Reserve		**1,280,432**		133,661
Contributed surplus		**1,645,501**		1,645,501
Foreign subsidiary translation reserve		**44,301**		48,461
Retained earnings (deficit)		**4,806,127**		(6,450,665)
Total shareholders' equity	**$**	**16,928,232**	$	3,493,537
Total shareholders' equity and liabilities	**$**	**17,649,973**	$	3,723,906

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

Nature of operations and going concern (note 1)
Commitments and contingencies (note 15)
Subsequent events (note 17)

Approved on behalf of the Board:

D. Mark Appleby *Director*

Douglas Flett *Director*

Tartisan Nickel Corp.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Operating expenses		
Management and consulting fees (note 11)	**$ 312,378**	$ 298,088
Depreciation (note 5)	**3,288**	1,025
Director fees (note 11)	**108,000**	18,000
Foreign exchange loss (gain)	**1,642**	(1,703)
Interest expense and bank charges	**1,298**	892
Stock based compensation (notes 9 and 11)	**1,006,563**	-
Marketing and promotion	**222,879**	5,000
Office, general and administration	**87,189**	115,975
Professional fees (note 11)	**209,086**	131,749
	$ (1,952,323)	$ (569,026)
Dividend income	**7,972**	-
Gain on settlement of debt	**38,676**	24,000
Write off of deposit receivable	**-**	(61,000)
Write-off of mineral interest (note 4)	**(112,500)**	-
Unrealized revaluation gain (loss) on investments (note 6)	**10,646,442**	(197,028)
Gain (loss) on sale of investments	**2,998,525**	(18,805)
Loss on expiry of warrants	**-**	(12,500)
Income (loss) before income taxes	**11,626,792**	(834,359)
Deferred income tax expense (note 14)	**(370,000)**	-
Net income (loss) for the year	**$ 11,256,792**	$ (834,359)
Other comprehensive income (loss)		
Translation difference on foreign operations	**$ (4,160)**	$ (5,607)
Total comprehensive income (loss) for the year	**$ 11,252,632**	$ (839,966)
Total comprehensive income (loss) per share		
Basic (note 12)	**$ 0.11**	$ (0.01)
Diluted (note 12)	**$ 0.11**	$ (0.01)
Weighted average number of common shares outstanding		
Basic (note 12)	**102,144,021**	100,148,784
Diluted (note 12)	**103,144,021**	100,148,784

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

Tartisan Nickel Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Operating activities		
Net income (loss) for the year	**$ 11,256,792**	$ (834,359)
Adjustments for:		
Depreciation	**3,288**	820
Write off of deposit receivable	**-**	61,000
Write-off of mineral interest	**112,500**	-
Deferred tax expense	**370,000**	-
Loss on expiry of warrants	**-**	12,500
Stock based compensation	**1,006,563**	-
(Gain) loss on sale of investments	**(2,998,525)**	18,805
(Gain) on settlement of debt	**(38,676)**	(24,000)
Unrealized revaluation (gain) loss on investment	**(10,646,442)**	197,028
Foreign exchange	**3,562**	-
Changes in non-cash working capital items:		
Accounts receivable	**11,581**	(115)
Prepaid expenses	**(93,237)**	(739)
Amounts payable and accrued liabilities	**82,586**	(36,175)
Bank overdraft	**71,740**	35,300
Net cash used in operating activities	**(858,268)**	(569,935)
Investing activities		
Addition of mineral properties	**(551,692)**	(93,850)
Proceeds from sale of investments	**3,369,169**	406,635
Purchase from sale of investments	**(2,792,987)**	-
Net cash provided by investing activities	**24,490**	312,785
Financing activities		
Proceeds from private placement, net of issuance costs	**932,500**	-
Net advances from (to) related parties	**(267,433)**	51,030
Reclamation deposit	**-**	216,000
Exercise of stock options	**189,000**	-
Net cash provided by financing activities	**854,067**	267,030
Net change in cash	**20,289**	9,880
Cash, beginning of year	**908**	(8,972)
Cash, end of year	**$ 21,197**	$ 908
Supplemental Information		
Shares issued for acquisition of mineral properties	**$ 52,000**	$ 28,000
Shares issued for services	**$ 2,000**	$ 8,000

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

Tartisan Nickel Corp.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Units to be issued	Reserve: Share based	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
Shares issued for services	160,000	8,000	-	-	-	-	-	-	8,000
Warrants expired	-	-	-	-	(358,067)	-	358,067	-	-
Exchange difference on foreign operations	-	-	-	-	-	(5,607)	-	-	(5,607)
Net loss for the year	-	-	-	-	-	-	-	(834,359)	(834,359)
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
Shares issued for acquisition of mineral property	100,000	52,000	-	-	-	-	-	-	52,000
Stock based compensation	-	-	-	1,006,563	-	-	-	-	1,006,563
Options exercised	1,900,000	324,776	-	(135,776)	-	-	-	-	189,000
Exchange difference on foreign operations	-	-	-	-	-	(4,160)	-	-	(4,160)
Net income for the year	-	-	-	-	-	-	-	11,256,792	11,256,792
Balance, March 31, 2021	104,787,973	$ 9,143,121	$ 8,750	$ 1,004,448	$ 275,984	$ 44,301	$ 1,645,501	$ 4,806,127	$ 16,928,232

The accompanying notes to the 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 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 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 year ended March 31, 2021, the Company had net loss from operations of $1,952,323 (year ended March 31, 2020 - $569,026) and working capital of $14,151,271 (March 31, 2020 - $1,204,480). The Company has retained earnings of $4,806,127 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 consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

2. Basis of preparation

Statement of compliance

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

The policies applied in these consolidated financial statements are based on IFRSs issued and outstanding as of July 27, 2021, the date the Board of Directors approved the statements.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of certain financial assets which are measured at fair-value.

Basis of consolidation

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

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars. The functional currency of each individual entity is measured using the currency of the primary economic environment in which the entity operates being Canadian dollars for Canadian Arrow, and Peruvian Nuevo Soles for Minera. All financial information is expressed in Canadian dollars unless otherwise stated and has been rounded to the nearest dollar.

Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of the due from related parties balance, valuation of warrants, and stock options held using the BlackScholes pricing model and the measurement of common shares issued for non-cash consideration.

2. Basis of preparation (continued)

Critical accounting judgements, estimates and assumption

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statement are discussed below:

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company title. Such properties may be subject to prior agreement or transfers and titles may be affected by undetected defects.

Non-current asset impairments

The application of the Company's accounting policy for impairment on exploration and evaluation ("E&E") assets requires judgement in determining if the facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation expenditures

The application of the Company's accounting policy for E&E expenditures capitalized requires judgement in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, an entity considers the degree to which the expenditure can be associated with finding specific mineral resources.

Due from related parties' impairment

The Company applied judgement when estimating the future cash flows from its due from related parties balance. In making this assessment, the Company considered the credit risk of the counterparty, the quality of the underlying security and other relevant factors.

Valuation allowance for deferred income tax assets

Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will not be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its exploration projects and working capital requirements.

2. Basis of preparation (continued)

Classification of financial assets

Judgment is required in classifying non-strategic equity investments as either FVTPL or FVTOCI.

Legal provisions

Judgment is required in making a determination for recognition and disclosure requirements as it relates to lawsuits faced by the Company.

3. Significant accounting policies

Leases and right-of-use assets

IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

3. Significant accounting policies (continued)

Leases and right-of-use assets (continued)

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Mineral Property

Costs related to the acquisition and exploration of mineral properties are capitalized until a decision is made as to whether or not the assets contain sufficient economic reserves for mine development.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the carrying value of E&E assets, net of any impairment loss, is transferred to property and equipment.

The direct cost of E&E assets consists of:

- Acquisition of exploration properties including the cost of acquiring licenses and claims
- Gathering exploration data through topographical and geological studies
- Exploratory drilling, trenching and sampling
- Determine the volume and grade of the resource
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies

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

The aggregate recoverable against IGV collected on potential future revenues earned by the Peruvian subsidiary is $102,578 accumulated as at March 31, 2021 (March 31, 2020 - $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.

3. Significant accounting policies (continued)

Provisions and contingencies

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the year incurred. Discount rates using a pretax risk free rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other exploration and evaluation assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, and effects of inflation.

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.

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.

3. Significant accounting policies (continued)

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.

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.

3. Significant accounting policies (continued)

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 March 31, 2021, the Company has not incurred any reclamation obligations for its Peru mineral properties (March 31, 2020 – $nil).

Translation of foreign currencies

(a) Functional currency:

The 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.

(b) Transaction 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).

(c) Translation of foreign operations

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

- 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;
- Share capital is translated using the exchange rate at the date of the transaction;
- Revenue and expenses for each statement of comprehensive loss are translated at average exchange rates during the period; and
- All resulting exchange differences are recognized as a separate component of equity and as an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statement of comprehensive loss.

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

3. Significant accounting policies (continued)

Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. The fair value of the 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.

Financial instruments

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 ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the previous classification under IFRS 9 for the Company's financial instruments:

Classification	IFRS 9
Cash and bank overdraft	Amortized cost
Amounts receivable	Amortized cost
Due from related parties	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Financial assets
Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's marketable securities are classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's cash, amounts receivable, due from related parties, and advances are classified as financial assets measured at amortized cost.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities
Financial liabilities are classified as either financial liabilities at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities, and bank overdraft do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs
Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement
Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model
IFRS 9 has single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

3. Significant accounting policies (continued)

Financial instruments (continued)

Expected credit loss impairment model (continued)
Financial instruments recorded at fair value on the 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 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 –inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. The sale of tax deductions is measured using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as flow-through share premium liability in the statement of financial position. Pursuant to the terms of the flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the subscribers at an agreed upon date. The renouncement may occur prospectively or retrospectively based on the flow-through share agreement.

The excess of cash consideration received over the market price of the Company's shares at the date of the announcement of the flow-through share financing is recorded as a liability which is extinguished as eligible expenditures are made when the tax effect of the temporary differences, resulting from the renunciation, is recorded. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense.

A deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures that are capitalized to exploration and evaluation assets and their tax basis. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset.

3. Significant accounting policies (continued)

Earnings (loss) per common share

Basic earnings (loss) per share are computed by dividing the net earnings (loss) applicable by the weighted average number of common shares outstanding during the reporting year. Diluted earnings (loss) per share is computed by dividing the net earnings (loss) by the sum of the weighted average number of common shares issued and outstanding during the reporting year and all additional common shares for the assumed exercise of options and warrants outstanding for the reporting year, if dilutive.

The treasury stock method is used to arrive at the diluted earnings (loss) per share, which is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share do not include the effect of share options and warrants as they are antidilutive.

Related party transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

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 consolidated financial statements.

3. Significant accounting policies (continued)

New standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning on or after January 1, 2021 or later periods.

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.

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 amendments are effective for annual periods beginning on January 1, 2022. The extent of the impact of adoption of this amendment has not yet been determined.

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 and acquisitions	135,758	415,786	-	52,148	603,692
Write off	-	-	(112,500)	-	(112,500)
March 31, 2021	**$ 187,923**	**$ 2,416,890**	**$ -**	**$ 172,148**	**$ 2,776,961**

4. 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).

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 year ended March 31, 2021, 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 Ichuña and has taken a $112,500 write down.

Kenbridge Property

The Company acquired its Kenbridge property in fiscal 2018 as part of the acquisition with of its wholly owned subsidiary Canadian Arrow Mines Ltd. 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.

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.

5. Property and equipment

	March 31, 2021			March 31, 2020		
	Cost	**Accumulated Amortization**	**Net Book Value**	**Cost**	**Accumulated Amortization**	**Net Book Value**
Machinery and equipment	$ 15,504	$ 15,504	$ -	$ 15,504	$ 12,216	$ 3,288

6. Investments

	March 31, 2021	March 31, 2020
Eloro Resources Limited	**$ 10,386,375**	$ 1,060,000
Class 1 Nickel & Technologies Limited	**1,850,000**	152,972
Peruvian Metals Corp. - Common Shares	**1,815,300**	-
Peruvian Metals Corp. - Warrants	**80,082**	-
Silverbullet Mines Inc.	**150,000**	-
Total	**$ 14,281,757**	$ 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 March 31, 2021, the Company had 5.80% (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 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 gain of $9,125,024 (year ended March 31, 2020 - loss $197,028) has been recorded in the consolidated statement of comprehensive income (loss) for the year ended March 31, 2021.

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 Nickel & Technologies Limited ("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. During the year ended March 31, 2020, the shares held in Class 1 are classified as FVTPL and were initially classified as a level 2 investment. During the year ended March 31, 2021 Class 1 obtained a successful listing on the Canadian Securities Exchange, and as a result has become a Level 1 investment.

6. Investments (continued)

Investment in Class 1 Nickel & Technologies Limited (continued)

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 $917,822 (year ended March 31, 2020 - $nil) has been recorded in the consolidated statement of comprehensive income (loss) for the year ended March 31, 2021.

Investment in 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 March 31, 2021, the Company had 15.89% (March 31, 2020 – nil%) 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 the Tartisan and Peruvian. Therefore, the Company is accounting for the common shares of Peruvian 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 Peruvian Metals Corp. ("Peruvian") an unrealized gain of $523,514 (year ended March 31, 2020 - $nil) has been recorded in the consolidated statement of comprehensive income (loss) for the year ended March 31, 2021.

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 Metals Corp. ("Peruvian") an unrealized gain of $80,082 (year ended March 31, 2020 - $nil) has been recorded in the consolidated statement of comprehensive income (loss) for the year ended March 31, 2021. The fair value of the warrants as at March 31, 2021 was calculated using the Black Scholes pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 146.9%; (iii) risk free rate of 0.22%; and (iv) with an expected life of 1.52 years.

Investment in Silverbullet Mines Inc.

During the year ended March 31, 2021, the Company acquired 500,000 units of Silverbullet Mines Inc. ("Silverbullet"), a private arms-length corporation at $0.30 per unit. Each unit consisted of one common share and one half common share purchase warrant. Each full warrant is exercisable for 24 months from the date of issue at a price of $0.50. The warrants are restricted from sale until after Silverbullet becomes a public company. Therefore, the warrants have not been valued using the Black Scholes model. The investments in common shares and warrants are considered a Level 3 in the fair value hierarchy.

Fair value hierarchy

Financial instruments recorded at fair value on the 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).

6. Investments (continued)

Fair value hierarchy (continued)

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2021 and March 31, 2020.

	Level 1	Level 2	Level 3	Total
March 31, 2021 - Investments	$ 14,051,675	$ 80,082	$ 150,000	$ 14,281,757
March 31, 2020 - Investments	$ 1,060,000	$ 152,972	$ -	$ 1,212,972

7. Financial Instruments

The Company's risk exposure and the impact on the Company's financial instruments are described below.

Fair value

Financial instruments recognized at fair value in the consolidated statements of financial position have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. All financial instruments measured at fair value, at March 31, 2021, are as described.

Credit risk

Credit risk to the Company is the risk that a counter party will be unable to pay amounts owed to the Company. The Company's exposure to credit risk is summarized below:

Cash and cash equivalents

Credit risk is mitigated by ensuring the majority of the financial assets are placed with a major Canadian financial institution with strong investment-grade ratings by a primary ratings agency. The credit risk of cash and cash equivalents has been assessed as low.

Receivables

Credit risk has been assessed as low by management as the Company closely monitors its receivable balances and maintains its significant receivables with organizations with strong credit ratings. Amounts due from related parties are pursuant to a general security agreement.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at March 31, 2021, the Company had cash of $21,197 (March 31, 2020 - $908) to settle current liabilities of $721,741 (March 31, 2020 - $230,369), which included a bank overdraft of $71,740 (March 31, 2020 - $nil).

7. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and price risk.

Foreign currency risk

The Company is primarily exposed to currency fluctuations related to cash balances, receivables, payables, and amounts due to related parties held in Peruvian Nuevo Soles. As of March 31, 2021, the Company does not have any significant balances denominated in Peruvian Nuevo Soles.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to the nickel industry to determine the appropriate course of action to be taken by the Company.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

Other price risk typically arises from exposure to equity and commodity securities. If the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant the investment value could have increased or decreased by approximately $1,428,176 (March 31, 2020 - $121,297).

8. 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, 2019	99,562,391	$ 8,071,829
Shares issued for mineral property (note 4)	700,000	28,000
Shares issued for services (i)	160,000	8,000
Balance, March 31, 2020	100,422,391	$ 8,107,829

8. Share capital (continued)

b) Common shares issued (continued)

	Number of common shares		Amount
Balance, March 31, 2020	100,422,391	$	8,107,829
Shares issued on private placement (ii)	2,325,582		1,000,000
Value of warrants issued on private placement (ii)	-		(239,426)
Finance costs (ii)	-		(67,500)
Value of broker warrants issued on private placement (ii)	-		(36,558)
Exercise of stock options (iii)	1,900,000		324,776
Shares issued for services (iv)	40,000		2,000
Shares issued for acqusition of mineral property (note 4)	100,000		52,000
Balance, March 31, 2021	104,787,973	$	9,143,121

i) On March 25, 2020, the Company issued 160,000 common shares at $0.05 per common share for aggregate gross an aggregate gross service value of $32,000. The common shares were exchanged for online advertising, marketing and branding services to increase the brand awareness.

ii) 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 15) 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, with an exercise price of $0.43. 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 0.24%; and (iv) with an expected life of 2.0 years; (v) share price of $0.34.

iii) During the year ended March 31, 2021, an aggregate of 1,900,000 stock options were exercised. 1,700,000 stock options were exercised by directors and consultants of the Company for $0.07 per option, and 200,000 stock options were exercised by consultants of the Company for $0.35 per option.

iv) During the year ended March 31, 2021, the Company issued 40,000 common shares at $0.05 per common share for an aggregate gross service value of $8,000. 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.

Units to be issued

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 March 31, 2021 and March 31, 2020 there were 50,000 units remaining to be issued for cash proceeds received of $8,750.

9. 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.

	Number of stock options	Weighted average exercise price
Balance, March 31, 2019 and March 31, 2020	2,700,000	$ 0.07
Balance, March 31, 2020	2,700,000	$ 0.07
Granted	3,900,000	0.35
Exercised	(1,900,000)	0.10
Balance, March 31, 2021	4,700,000	$ 0.29

During the year ended March 31, 2021, the Company granted 3,900,000 stock options to certain officers, directors, and consultants of the Company with an exercise price of $0.35, which vested on grant. 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 March 31, 2021:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding
June 07, 2021	0.07	0.19	1,000,000
September 20, 2025	0.35	4.48	3,700,000
		3.56	4,700,000

10. Warrants

	Number of warrants	Weighted average exercise price
Balance, March 31, 2019	3,400,000	$ 0.25
Expired	(3,400,000)	(0.25)
Balance, March 31, 2020	-	$ -
Issued (note 8)	1,325,581	0.58
Balance, March 31, 2021	1,325,581	$ 0.58

10. Warrants (continued)

The following table reflects the actual share purchase warrants issued and outstanding as of March 31, 2021:

Expiry date	Remaining contractual life (years)	Number of warrants outstanding	Exercise price ($)
December 18, 2022	1.72	1,162,791	0.60
December 18, 2022	1.72	162,790	0.43
		1,325,581	

11. 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 years ended March 31, 2021 and March 31, 2020:

	Year ended March 31, 2021 $	Year ended March 31, 2020 $
Chief Financial Officer services	**40,254**	37,549
Consulting and management fees	**204,000**	169,000
Director fees	**108,000**	18,000

As of March 31, 2021, accounts payable and accrued liabilities include $72,827 (March 31, 2020 - $40,236) due to these related parties.

During the year ended March 31, 2021, 1,500,000 stock options were exercised by Directors of the Company for $0.07 per option.

During the year ended March 31, 2021, 1,500,000 stock options were granted to Directors and Officers of the Company for $0.35 per option with a black scholes value of $387,140.

As at March 31, 2021, the Company had a loan due from an advisor (a former Cheif Executive Officer) $187,134 (March 31, 2020 - $165,134), this amount is included in amounts due from related parties. 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 March 31, 2021, the Company has a loan due from the President, Cheif Executive Officer, and Director of the Company of $245,456 (March 31, 2020 - $16,059), this amount is included in amounts due from related parties. The loan is due on demand, unsecured, and non-interest bearing.

12. 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.

	Year ended March 31,	
	2021	**2020**
	$	**$**
Weighted average shares outstanding		
-basic	**102,144,021**	100,148,784
Dilutive effect of stock options	**1,000,000**	-
Dilutive effect of warrants	**-**	-
Weighted average shares outstanding		
-diluted	**103,144,021**	100,148,784
Income (loss) per share	**11,256,792**	(834,359)
-basic	**0.11**	(0.01)
-diluted	**0.11**	(0.01)
Comprehensive income (loss) per share	**11,252,632**	(839,966)
-basic	**0.11**	(0.01)
-diluted	**0.11**	(0.01)

13. Capital management

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 retained earnings (deficit) totaling as at March 31, 2021 of $16,928,232 (March 31, 2020 – $3,493,537).

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.

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 years ended March 31, 2021 and March 31, 2020. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

14. Income taxes

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2020 - 26.5%) were as follows:

	Year ended March 31, 2021	2020
Income (loss) before income taxes	**$ 11,626,792**	$ (834,359)
Expected income tax expense (recovery) based on the statutory rate:	**$ 3,081,100**	$ (221,105)
Adjustments to expected income tax benefit:		
Other deductible and non-deductible items	**285,035**	2,572
Non-taxable investment revaluation	**-**	54,704
Rate differential on FVTPL investments	**(1,270,601)**	-
Successor exploration expenses	**-**	(3,326,589)
Prior year adjustment	**-**	90,540
Benefit of deferred tax assets not recognized	**(1,725,534)**	3,399,878
Deferred income tax provision	**$ 370,000**	$ -

(b) Deferred income tax

The temporary differences and unused tax losses that give rise to deferred income tax assets and liabilites are presented below:

	March 31, 2021	March 31, 2020
Deductible temporary differences		
Tax loss carry-forwards	**$ 2,269,561**	$ 2,486,010
Non-current assets	**3,383,611**	3,356,300
Share issue costs and other	**14,310**	-
Investments	**(1,270,601)**	280,105
Deferred tax assets	**$ 4,396,881**	$ 6,122,415
Less: deferred tax assets not recognized	**$ (4,396,881)**	$ (6,122,415)
Net deferred tax assets	**$ -**	$ -

The potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

14. Income taxes (continued)

Loss Carry Forwards

As at March 31, 2021, the Company has non-capital losses of approximately $8,225,700 in Canada, which expire between 2034 and 2040, and $299,000 in Peru, which potentially expire through 2023.

As at March 31, 2021, the Company has Canadian exploration and development of expenses of approximately $14,934,000 available indefinitely to offset future taxable income for income taxes purposes.

15. Commitments and contingencies

As at March 31, 2021, pursuant to the issuance of 2,325,582 units, which consisted of 2,325,852 flow-through shares on December 18, 2020 (note 8), the Company is required to incur qualifying expenditures of approximately $1,000,000 by December 31, 2022. As of March 31, 2021 the Company has fulfilled approximately $327,730 of the total commitment.

16. Segmented disclosure

As at March 31, 2021	Peru	Canada	Total
Current assets	$ 6,569	$ 14,866,443	$ 14,873,012
Non-current assets	84,479	2,692,482	2,776,961
For the period ended March 31, 2021			
Net (loss) income	(42,754)	11,299,546	11,256,792

As at March 31, 2020	Peru	Canada	Total
Current assets	$ 3,964	$ 1,430,885	$ 1,434,849
Non-current assets	70,020	2,219,037	2,289,057
For the period ended March 31, 2020			
Net (loss)	-	(834,359)	(834,359)

17. Subsequent event

On April 1, 2021 and May 3, 2021, the Company repurchased 182,000 common shares, and 414,000 common shares, respectively, under the normal course issuer bid which was announced on March 10, 2021.

On June 1, 2021, 1,000,000 stock options with an exercise price of $0.07 were exercised.

On June 8, 2021, the Company announced that it has closed the first tranche of the $4,482,022 flow-through financing. The first tranche was comprised of 3,336,797 flow-through units of the Company at the price of $0.57 per unit for an aggregate subscription price of $1,901,974. Each unit comprises one flow-through share and one-half of one warrant. Each full warrant will entitle the holder thereof to acquire one additional common share of the Company exercisable at a price of $0.85 per warrant share for a period of 2 years from the closing date. The units issued under the flow-through financing are subject to a hold period expiring four months and one day from the closing date of the tranche.

On June 21, 2021, the Company announced that it has closed the second tranche of the $4,482,022 flow-through financing. The second tranche was comprised of 4,526,400 flow-through units of the Company at the price of $0.57 per unit for an aggregate subscription price of $2,580,048. Each unit comprises one flow-through share and one-half of one warrant. Each full warrant will entitle the holder thereof to acquire one additional common share of the Company exercisable at a price of $0.85 per warrant share for a period of 2 years from the closing date. The units issued under the flow-through financing are subject to a hold period expiring four months and one day from the closing date of the tranche.