FLYING NICKEL MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

This Management’s Discussion and Analysis (“MD&A”) provides a discussion and analysis of the financial conditions and results of operations to enable a reader to assess material changes in the financial condition and results of operations as at and for the nine months ended September 30, 2022. This MD&A should be read in conjunction with the unaudited interim condensed financial statements and notes thereto (“Statements”) of Flying Nickel Mining Corp. (“Flying Nickel” or the “Company”) as at and for the nine months ended September 30, 2022, as well as, the audited financial statements of Flying Nickel as at and for the period from Incorporation on December 21, 2020 to December 31, 2021. The Company’s Statements and MD&A are presented in Canadian dollars (“CAD”), unless otherwise specified, and have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Additional information about Flying Nickel is available on the Company’s website at www.flynickel.com and on the SEDAR website (www.sedar.com).

This report is dated as of November 28, 2022.

The MD&A contains references to Flying Nickel using the words “we”, “us”, “our” and similar words and the reader is referred to using the words “you”, “your” and similar words.

1. COMPANY OVERVIEW

Flying Nickel is a premier nickel sulphide mining and exploration company, and is advancing its 100% owned Minago nickel project in the Thompson nickel belt in Manitoba, Canada.

On March 4, 2022, the Company’s common shares were publicly listed on the TSX Venture Exchange under the symbol “FLYN”. On April 8, 2022 the Company’s common shares have started trading on the US OTCPK under the symbol “FLYNF”. The Company commenced trading on the OTCQB under the symbol "FLYNF" as of the opening of the market on May 31, 2022. The Company's common shares are eligible to clear electronically and settle through DTC.

The Company maintains its registered and records office at Suite 1610 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

On August 23, 2022 Flying Nickel Mining Corp. and Nevada Vanadium Mining Corp. ("Nevada Vanadium”) announced that they have entered into a non-binding letter of agreement dated August 22, 2022 (the "LOA") pursuant to which Flying Nickel proposes to acquire all of the issued and outstanding common shares of Nevada Vanadium (the "Nevada Vanadium Shares") by way of a court-approved plan of arrangement (the "Transaction").

Under the terms of the Transaction, Nevada Vanadium shareholders are expected to receive one (1) (the "Exchange Ratio") Flying Nickel common share (a "Flying Nickel Share") for each Nevada Vanadium Share held immediately prior to the effective time of the Transaction, representing the equivalent of $0.155 per Nevada Vanadium Share, based on the closing price of Flying Nickel Shares on the TSX Venture Exchange (the "TSXV") on August 19, 2022. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Transaction are also expected to be exchanged for securities of Flying Nickel bearing substantially the same terms as the securities replaced based on the Exchange Ratio.

Currently, Flying Nickel has 62 million shares outstanding, and Nevada Vanadium has 53 million shares outstanding. Upon completion of the Transaction, the combined company (the "Resulting Issuer") will be owned approximately 54% by Flying Nickel shareholders and 46% by Nevada Vanadium shareholders The Resulting Issuer is expected to continue to be listed on the TSXV as a mining issuer.

The implied equity value for Nevada Vanadium as of the date of the LOA based on the Exchange Ratio is approximately $8,485,200 based on the 20-day volume-weighted-average-price of Flying Nickel Shares on the TSXV as of close on August 19, 2022. Nevada Vanadium is a reporting issuer in each of the provinces and territories of Canada other than Quebec and the Nevada Vanadium Shares are not listed for trading on any stock exchange.

2. ARRANGEMENT AND TRANSFER OF ASSETS

On January 14, 2022, Silver Elephant Mining Corp. completed a strategic reorganization of its business through a statutory plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the Arrangement, the common shares of Silver Elephant Mining Corp. ("Silver Elephant") were consolidated on a 10:1 basis and each holder of common shares received in exchange for every 10 pre-Consolidation common shares held: (i) one post Consolidation common share of Silver Elephant; (ii) one common share of Flying Nickel Mining Corp.; (iii) one common share of Nevada Vanadium Mining Corp.("Nevada Vanadium"), and (iv) two common shares of Battery Metals Royalties Corp.("Battery Metals").

Pursuant to the Arrangement, the Company issued 50,000,000 common shares in consideration for Minago Nickel project mineral property assets and the assumption of certain liabilities related to the underlying assets.

3. FINANCING

On November 29, 2021, Flying Nickel completed a brokered private placement of Flying Nickel subscription receipts for aggregate gross proceeds of $8,600,000 through the issuance and sale of a combination of:

1. 10,094,033 subscription receipts of the Company (each, a "Non-FT Subscription Receipt") at a price of $0.70 per Non-FT Subscription Receipt for gross proceeds of $7,065,824 from the sale of Non-FT Subscription Receipts; and

2. 1,992,437 flow-through eligible subscription receipts of the Company (each, a "FT Subscription Receipt", and collectively with the Non-FT Subscription Receipts, the "Offered Securities") at a price of $0.77 per FT Subscription Receipt for gross proceeds of $1,534,176;

The Flying Nickel Financing was undertaken on a fully marketed basis pursuant to an agency agreement dated November 29, 2021, with Red Cloud Securities Inc. acting as lead agent on behalf of a syndicate of agents, including Canaccord Genuity Corp. The Toronto Stock Exchange approved the private placement on December 22, 2021.

On December 30, 2021, gross proceeds of $1,534,176 were released from escrow to Flying Nickel upon converting an aggregate of 1,992,437 FT Subscription Receipts into 1,992,437 flow-through common shares of Flying Nickel at a price of $0.77 per share.

Gross proceeds of $7,065,823 from the issuance of 10,094,033 NFT Subscription Receipts of the Company remained subject to escrow as at December 31, 2021. On January 14, 2022 the Subscription Receipts were released to the Company upon satisfaction of certain additional escrow release conditions, including receipt of final approval of the Supreme Court of British Columbia, in connection with the Arrangement.

The Company incurred broker commissions and out-of-pocket costs of $664,950.

The Company will use net proceeds from the private placement for exploration drilling, completion of the Minago project feasibility study and for working capital purposes.

4. MINAGO PROPERTY

The Minago Property is located in northern Manitoba, Canada within the southern part of the Thompson Nickel Belt, approximately 107 kilometers north of the Town of Grand Rapids, Manitoba and 225 kilometres south of the City of Thompson, Manitoba. Provincial Highway 6 transects the eastern portion of the Minago Property.

The Minago Property is comprised of 94 mining claims and two mining leases. Mining claims MB8497, P235F, P238F and P239F are subject to a net smelter return ("**NSR**") royalty interest (the "**Glencore Royalty**") retained by Glencore Canada Corporation ("**Glencore**"). The Glencore Royalty in respect of nickel, shall for any calendar quarter be: (i) 2% NSR royalty when the London Metals Exchange 3-month nickel price is equal to or greater than US$13,227.74 per tonne in that quarter; and (ii) a 1% NSR when the London Metals Exchange 3-month nickel price is less than US$13,227.74 per tonne in that quarter. The Glencore Royalty in respect of other minerals, metals and concentrates, shall be a 2% NSR. In the event that the Glencore Royalty consists of a 2% NSR royalty, Flying Nickel may purchase a portion of the royalty interest which represents in the aggregate no more than 1% of the royalty interest for $1,000,000. The Glencore Royalty interest shall never be less than a 1% NSR. No portion of the reported Minago resource currently exists within claims subject to the Glencore Royalty.

In addition, pursuant to the Arrangement, Silver Elephant transferred to Battery Metals, and Battery Metals retains, a 2% NSR on the Minago Property. The Royalty will be calculated quarterly and will be payable in each quarter where the average nickel price on the London Metals Exchange exceeds US$15.00.

As currently defined, the Deposit contains a large mineral resource inventory that exceeds the previous historical mineral resource estimate prepared by Wardop for Victory Nickel that is documented in Victory Nickel's 2010 feasibility study. The main factor contributing to this increase is inclusion of North Limb Zone mineralization into the current estimate which incorporated drilling completed in 2011 by the previous operator. The mineralized strike length of the entire deposit, measured continuously around the Nose Zone fold and then northward to the North Limb Zone, is approximately 2500 m, and good potential exists to define strike extensions to this trend beyond its current limits. An opportunity also exists to define additional mineralization in the drilling gap that exists between the two zones at present. The Nose Zone has been defined by drilling to a maximum depth of approximately 925 m below surface and remains open down dip along its entire modelled length. The North Limb Zone has not been as thoroughly defined by drilling as the Nose Zone and remains open down dip below the limit of current modelling, that occurs at a depth below surface of approximately 450 m. Successful future testing of these direct deposit extension areas by core drilling could result in substantial additions to the current mineral resource inventory. Based on current results and market conditions, such assessment of expansion potential is warranted.

An extensive amount of historical metallurgical testing of deposit mineralization has been carried out, culminating in the historical 2010 feasibility study. In combination with analytical results present in the core drilling database, metallurgical study results show that nickel associated with sulphide mineralization in the deposit represents the most important source of economically recoverable nickel present. Nickel is also present throughout the deposit in various silicate mineral phases from which very low recoveries by conventional processing have been documented.

The ratio of sulphide and silicate associated nickel varies spatially within the deposit and bears directly on definition of mineralization having potential for categorization within a mineral resource estimate. To address this important distribution relationship, the current mineral resource estimate is based on modelling of the sulphide-associated nickel content as well as the total nickel content. The cut-off value is directly based on sulphide-associated nickel grades plus pit optimization recoveries applied to each model block that plus reflect application of a sulphide-associated nickel recovery regression equation. This approach ensured that mineralization included in the mineral resource estimate was restricted to material with demonstrated potential for recovery by conventional processing methods. It also contributed to qualification of mineral resources as having "reasonable prospects for eventual economic extraction" as set out in the CIM Standards (2014). A sulphide- nickel approach to mineral resource estimation and associated modelling also formed the basis of the now-historical 2010 mineral resource and reserve estimates that supported the 2010 feasibility study completed by Wardrop for Victory Nickel.

Open pit mineral resources defined at a 0.18 % sulphide nickel cut-off grade account for approximately 40 % of the global resource inventory. The remaining 60 % of the inventory is defined at a sulphide nickel cut-off grade of 0.36 % and is considered to have "reasonable prospects for eventual economic extraction" using conventional underground bulk mining methods.

On June 21, 2022 the Company announced the completion of its first drilling program at its 100% owned Minago nickel sulphide project in Thompson, Manitoba. The program included 2,834 meters of drilling, consisting of six infill and exploration drillholes. A 5,000-meter program was announced on March 7, 2022 but was shortened due to late issuance of work permits. Infill drill holes FN-22-01 and FN-22-02 intercepted wide disseminated nickel mineralization at Minago's Nose deposit. The remaining holes targeted the North Limb deposit, which has the highest near-term resource expansion potential and limited historic drilling.

Flying Nickel acquired Minago from Victory Nickel Inc in February 2021. Subsequently, Flying Nickel announced an open-pit optimized Minago mineral resource estimate ("MRE"), prepared by Mercator Geotechnical Services and AGP Mining Consultants, effective July 2, 2021, which includes a Measured and Indicated mineral resource of 722 million lbs of contained nickel and an Inferred mineral resource of 319 million lbs of contained nickel grading 0.74% nickel based on 86,118 meters of drilling. The project has ready access to hydro power, water and is adjacent to a paved provincial highway. Flying Nickel is completing a Notice of Alteration which is required for the reissuance of the Environmental Act License by the province of Manitoba. No federal permit is required.

Observations and drillhole summaries are provided below:

FN-22-01 is a 567-meter infill drill hole located at the eastern part of Minago's main Nose deposit. The hole ended in mineralization at 567 meters, short of the 830 meters planned depth due to ground conditions. Approximately 483 meters of ultramafic rocks were observed containing varying percentages of disseminated mineralization.

FN-22-02 is a 407-meter infill drill hole located at the western part of the Nose deposit. The FN- 22-02 encountered 266 meters of ultramafic rocks containing varying percentages of disseminated mineralization. Core from FN-22-01 and FN-22-02 will undergo metallurgical tests to support the Company's ongoing feasibility study to be completed by end of 2022.

FN-22-03 is a 530-meter hole drilled near the center of Minago's North Limb deposit to test the deep portion of North Limb beyond the previously drilled maximum depth of approximately 250 meters from surface on section. The hole intercepted 393 meters of ultramafic rocks of varying percentages of disseminated mineralization.

FN-22-04 is a 551-meter exploration hole collared 200 meters north of the North Limb to test a magnetic and vertical electromagnetic anomaly. The hole intercepted 135 meters of intercalated ultramafic and felsic rocks containing varying percentages of disseminated mineralization. FN-22-05 is a 338-meter hole drilled at the southern end of the North Limb to test the shallow portion of the North Limb that had not been drilled before.

FN-22-05 encountered 85 meters of ultramafic rocks of varying percentages of disseminated mineralization, indicating sections of North Limb mineralization occur shallower than previously estimated.

FN-22-06 is a 325-meter exploration hole drilled in between the Nose and the North Limb to test a electromagnetic and magnetic anomaly. The hole ended in magnetite bearing granitoids with no observable ultramafic rocks. A clay layer observed between the Phanerozoic cover rocks and the Archean basement rocks is believed to explain the electromagnetic anomaly.

5. NINE MONTHS ENDED SEPTEMBER 30, 2022 HIGHLIGHTS

- On March 16, 2022, the Company commissioned a Feasibility Study ("FS") in accordance with NI 43-101 in respect of its Minago nickel project. The FS will be prepared in collaboration amongst Lycopodium (project cost estimate, processing and infrastructure), AGP Mining Consultants (mineral reserves, pit optimization), Mercator Geological Services (geology and mineral resource), and Trek Geotechnical (geotechnical, tailings and waste management). The FS is expected to take nine months to complete.
- The FS will adhere to the parameters in the approved 2011 Environmental Act License ("EAL"), which permits a 10,000 tonne-per-day open-pit mining operation at Minago. The EAL is currently valid, pending the approval of a Notice of Alteration ("NOA") involving a minor change to the plant layout. The NOA was submitted in late 2021, and the EAL is expected to be reissued to Flying Nickel in the second quarter of 2022. This is the final permitting hurdle for Flying Nickel to commence Minago mine construction. No federal permit is required for Minago.
- On March 9, 2022, the Company signed a Relationship and Benefits Memorandum of Understanding ("MOU") with Norway House Cree Nation ("NHCN") to advance the development of the Minago Nickel Project. Substantial binding terms and conditions have been agreed to in the MOU that will form the basis of a Relationship and Benefits Agreement ("RBA"), scheduled to be finalized on or around September 30, 2022. Signing of the MOU between Flying Nickel and NHCN lays the groundwork for completing an agreement with the other three adjacent First Nations. The RBA will provide the terms of cooperation between Flying Nickel and Norway House including: (i) establishing a cooperative and mutually respectful long-term relationship; (ii) providing employment capacity support and economic opportunities to NHCN and its members; (ii) securing NHCN's support with respect to certain regulatory approvals for Minago; and (iv) a joint effort to minimize unforeseen disruption and providing certainty for investment, access, and ownership of resource rights in respect of Minago.

- The MOU represents a significant milestone for the development of Minago, one of largest open-pit optimized greenfield nickel projects in Canada, and for the advancement of the relationship with NHCN. The MOU also demonstrates both parties' commitment to environmentally responsible mineral exploration and development, with the lowest carbon footprint possible, utilizing Manitoba's northern renewable electricity generation.
- On March 7, 2022, the Company commenced a drilling program at its Minago nickel sulphide project. A total of seven holes totaling 4,980 meters of exploration and infill drilling were planned for the program, testing Minago's North Limb deposit both at depth and to the north, which were previously unexplored. Drill holes were also planned to test the south target from the Minago main Nose deposit, which accounts for the majority of Minago's current resource. The program was planned with two types of hole design. Two metallurgical holes were planned to collect material to validate metallurgical work conducted previously on the project. The remainder of the holes were designed to test open areas with respect to the Minago resource, whether within the resource shell, or outside of it (i.e. exploration). Drilling ceased in April 2022 but did not complete all of its planned meterage due to shortened drilling season; 2,834 meters of drilling was completed. Results for this program are pending as the Company awaits completion and turnaround of assays from the assay laboratory.
- In April 2022 the Company purchased a domain name nickel.com for $313,977 in the open market from independent seller.

6. RESULTS FROM OPERATIONS

Nine months ended September 30, 2022

The Company recorded a net loss of $2,477,284 during the nine months ended September 30, 2022.

The table below provides a summary of general and administrative expenses for the nine months ended September 30, 2022.

		Nine months ended September 30, 2022
General and Administrative Expenses		
Advertising and promotion	$	623,713
Consulting		191,445
Directors' fee		65,800
Insurance		25,792
Office and administration		50,302
Salaries and benefits		321,538
Share based payments		731,799
Stock exchange and shareholder services		171,160
Professional fees		452,190
Travel and accommodation		41,287
Total	$	2,675,026

During the nine months ended September 30, 2022 the Company purchased a domain name nickel.com for $313,977. This amount is included in the advertising and promotion expense. The domain name does not have expiration date and requires annual maintenance fee of approximately $50.

Three months ended September 30, 2022

The Company recorded a net loss of $1,032,109 during the three months ended September 30, 2022.

The table below provides a summary of general and administrative expenses for the three months ended September 30, 2022.

		Three months ended September 30, 2022
General and Administrative Expenses		
Advertising and promotion	$	458,348
Consulting		63,510
Directors' fee		23,000
Insurance		10,625
Office and administration		8,869
Salaries and benefits		94,478
Share based payments		233,916
Stock exchange and shareholder services		45,060
Professional fees		139,049
Travel and accommodation		9,541
Total	$	1,086,396

During the three months ended September 30, 2022 the Company expensed $313,977 related to the acquisition of the domain name nickel.com.

Major expenses incurred during the three months ended September 30, 2022 were share based compensation and professional fees. Professional fees relate to legal and audit expense incurred when the Company finalized Arrangement and spin out transaction.

Salaries and benefits expense was reduced as compared to the three months ended September 30, 2022 due to amounts paid to geologists and allocated to Minago project. Travel expenses incurred while staff travelling to Minago project was allocated to expenses related to mining exploration project.

7. SUMMARY OF QUARTERLY RESULTS

The following table represents information for three months ended:

		September 30, 2022		June 30, 2022		March 31, 2022
General and Administrative Expenses						
Advertising and promotion	$	458,348	$	(293,688)	$	459,053
Consulting		63,510		23,530		104,405
Directors' fee		23,000		23,800		19,000
Insurance		10,625		10,625		4,542
Office and administration		8,869		18,641		22,792
Salaries and benefits		94,478		17,880		209,180
Share based payments		233,916		387,664		110,219
Stock exchange and shareholder services		45,060		20,267		105,833
Professional fees		139,049		154,699		158,442
Travel and accommodation		9,541		(6,073)		37,819
Total		1,086,396	$	347,345	$	1,231,285

Quarterly results can vary significantly depending on whether the Company abandoned any properties, incurred exploration expenditures, or granted stock options in a particular quarter. See "Results of Operations".

8. CAPITAL MANAGEMENT

Management considers its capital structure to consist of share capital, share purchase options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to, and required by the Company in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative returns on capital criteria for management. In order to facilitate the management of its capital requirement, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors. The annual and updated budgets are approved by the Board of Directors.

The properties, to which the Company currently has an interest in, 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 development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in managements approach to capital management during the period ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

9. LIQUIDITY AND CAPITAL RESOURCES

The Company utilizes existing cash received from the issuance of equity instruments to provide liquidity to the Company and finance exploration program.

Cash and Financial Conditions

The Company's had cash of $2,146,185 as at September 30, 2022.

Financing Activities

On November 29, 2021, pursuant to the Arrangement, the Company issued:

(i) 10,094,033 subscription receipts of the Company (each, a "Non-FT Subscription Receipt") at a price of $0.70 per Non-FT Subscription Receipt for gross proceeds of $7,065,824 from the sale of Non-FT Subscription Receipts; and

(ii) 1,992,437 flow-through eligible subscription receipts of the Company (each, a "FT Subscription Receipt) at a price of $0.77 per FT Subscription Receipt for gross proceeds of $1,534,176;

On December 30, 2021, gross proceeds of $1,534,176 were released from escrow to Flying Nickel upon converting an aggregate of 1,992,437 FT Subscription Receipts into 1,992,437 flow-through common shares of Flying Nickel at a price of $0.77 per share.

Gross proceeds of $7,065,823 from the issuance of 10,094,033 NFT Subscription Receipts of the Company remained subject to escrow as at December 31, 2021. The Company incurred broker commissions and out-of-pocket costs of $664,950. Warrants issuable of $189,040 were recorded as equity and added to deferred transaction costs to be netted against the subscription receipts.

On January 14, 2022 the Subscription Receipts were released to the Company upon satisfaction of certain additional escrow release conditions, including receipt of final approval of the Supreme Court of British Columbia, in connection with the Arrangement.

Outlook

As of September 30, 2022 the Company had a cash of $2,146,185 and a working capital of $3,096,010.

Management believes that the Company will have sufficient working capital to fund its expected 2022 exploration activities, activities in relation to completion of feasibility study and general and administrative expenses. Should an opportunity arises that would allow the Company to raise additional equity on reasonable terms, the Company will raise additional funds through public or private equity funding.

10. OUTSTANDING SHARE DATA

As at September 30, 2022, the Company had 62,086,470 common shares issued and outstanding.

As of September 30, 2022 there were 5,310,000 stock options outstanding. The stock options are exercisable for a five-year term with 4,860,000 of the options expiring on March 4, 2027 with an exercise price of $0.70 per common share, 150,000 options expiring on March 17, 2027 with an exercise price of $0.74 per common share and 300,000 options expiring on April 20, 2027 with an exercise price of $0.46 per common share. The options are subject to vesting provisions, with 12.5% vesting per quarter for the first two years following the grant date.

As at September 30, 2022 there were 716,615 broker warrants and 5,047,017 finance warrants outstanding. The broker warrants are exercisable at $0.70 per share and the finance warrants are exercisable at $1.00 per share. Both broker and finance warrants expire on November 29, 2023.

As at August 25, 2022 the Company had: (i) 62,086,470 Common Shares issued and outstanding, (ii) 5,310,000 stock options, each exercisable for the purchase of one Common Share, outstanding; (iii) 5,047,017 finance warrants, each exercisable for the purchase of one Common Share, outstanding, and (iv) 716,615 broker warrants, each exercisable for the purchase of one Common Share, outstanding.

11. TRANSACTIONS WITH RELATED PARTIES

a) Related party balances

As at September 30, 2022 the Company had balances due to related parties as follows:

	September 30, 2022		December 31, 2021	
Prepayment for management services	$	-	$	400,138
Due from related party		1,076,223		868,688
Due to directors		(17,000)		(14,000)
	$	1,059,223	$	1,254,826

The Company has entered into a Mutual Management Service Agreement (the "Agreement") with ELEF, pursuant to which the Companies will provide each other with general, technical and administrative services, as reasonably requested. The prepayment for management services of $Nil (December 31, 2021 - $221,637) represents the outstanding balance of $Nil (December 31, 2021 - $500,000) prepaid. In connection with the Agreement, during the nine months ended September 30, 2022 the Company recorded $355,140 in cost recoveries related to services provided.

The due from related party balance as at September 30, 2022 represents the remaining balance receivable from ELEF relating to the amount received by ELEF upon the conversion of the FT Subscriptions Receipts on behalf of the Company and other expenditures in regards to general, technical and administrative services provided by the Company to Silver Elephant Mining Corp.

The accounts payable and accrued liabilities of $17,000 as at September 30, 2022 (December 31, 2021 - $Nil) represent $17,000 payable for director fees.

a) Key management personnel compensation

During the nine months ended September 30, 2022, the Company had related party transactions with key management personnel and a private company controlled by John Lee, Executive Chairman of the Company, in providing management and consulting services to the Company.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation is comprised of:

	September 30, 2022	
Directors' fee	$	65,800
Payment to officers allocated to salary		190,110
Share based compensation allocated to officers		26,006
Advertising and promotion		90,000
Consulting		26,250
	$	398,166

Due from related parties represents amount due from companies with common management.

12. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's critical accounting estimates are defined as those estimates that have a significant impact on the portrayal of its financial position and operations, and that require management to make judgments, assumptions, and estimates in the application of IFRS. Judgments, assumptions, and estimates are based on historical experience and other factors that management believes to be reasonable under current conditions. As events occur, and additional information is obtained, these judgments, assumptions, and estimates may be subject to change.

The Company believes the following are the critical accounting estimates used in the preparation of its Unaudited Interim Condensed Financial Statements:

(a) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(b) Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping, prefeasibility and feasibility studies, assessable facilities, existing permits and life of mine plans. Management has determined that during the nine months ended September 30, 2022, the Company's Minago project has reached technical feasibility and commercial viability and therefore remain within Mineral Properties on the Statement of Financial Position.

(c) Share-based payments

The Company has a share purchase option plan and accounts for share-based payments using a fair value-based method with respect to all share-based payments to directors, officers, employees, and service providers. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or if such fair value is not reliably measurable, at the fair value of the equity instruments issued. The fair value is recognized as an expense or capitalized to mineral properties or property and equipment with a corresponding increase in option reserve. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of income (loss) and consolidated income (loss) over the remaining vesting period.

Upon the exercise of the share purchase option, the consideration received, and the related amount transferred from option reserve are recorded as share capital.

(d) Financial instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, FVTPL or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement of income (loss) and comprehensive income (loss) in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI. Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(e) Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss at the same time the qualifying expenditures are made.

(f) Loss/gain per share

Basic loss/gain per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options and warrants. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options and warrants. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss/gain per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(g) Leases

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset. At inception or on assessment of a contract that contains a lease component, we allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. As a lessee, we recognize a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, our incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, and extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit (loss).

13. FINANCIAL INSTRUMENTS

The Board, through its Audit Committee, is responsible for identifying the key risks of the Company and ensuring that risk management systems are implemented. The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk, and credit risk in accordance with its risk management framework. The Company's board of directors' reviews the Company's policies on an annual basis or when appropriate.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means; and

Level 3 - Inputs for the asset or liability that are not based on observable market data. The Company's cash and cash equivalents are classified as Level 1.

As at September 30, 2022, the Company believes that the carrying values of cash, short term investments, accounts receivable, trade and other payables and other financial liabilities approximate their fair values because of their nature and relatively short maturity dates or durations

Financial Instruments Risks

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its credit risk on restricted cash by placing these instruments with institutions of high credit worthiness. As at September 30, 2022, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its financial obligations as they fall due. The Company manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements. As at September 30, 2022, the Company had cash balance of $2,146,185 (December 31, 2021: restricted cash of $6,715,407) and had accounts payable and accrued liabilities of $582,066 (December 31, 2021: $362,072) which have contractual maturities of 90 days or less.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and equity price risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as at September 30, 2022.

(ii) Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at September 30, 2022, the Company had no financial instruments denominated in foreign currencies and is not exposed to any currency risk.

(iii) Equity Price Risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken. Fluctuations in value may be significant.

14. RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business and the present stage of exploration. As a company active in the mineral resource exploration and development industry, the Company is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented comprehensive safety and environmental protection measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

The Company's properties are still in the exploration stage. Mineral exploration and exploitation involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. The minerals business is characterized by long lead times from discovery to development, and few exploration projects successfully make the transition to development.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company.

There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquisition of properties of merit, and the recruitment and retention of qualified individuals to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its primary source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets, and by the Company's ability to attract investor support for its projects.

There is no assurance that funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities, as there are many circumstances that are beyond the control of the Company. For example, the Company is dependent on investor sentiment being positive towards the minerals exploration business in general and FPX Nickel in particular. Many factors influence investor sentiment, including a positive climate for mineral exploration, the experience and caliber of a company's management and a company's track record in discovering or acquiring economically viable mineral deposits.

Environmental and Government Regulation

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development activities.

Amendments to current laws and regulations governing the activities of the Company, or more stringent implementation thereof, could have a substantial adverse impact on the Company.

Title to Properties, First Nations Issues

While the Company has investigated the title to all of the properties on which it holds mineral claims or other forms of mineral rights or concessions or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties.

Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Negotiations with First Nations' groups can add an additional layer of risk and uncertainty to efforts to explore and develop mineral deposits in many areas of Canada, where protracted negotiations of land claims have resulted in settlement of only a fraction of the claims. The slow pace of resolving these claims is frustrating to both the First Nations peoples and explorers and could result in actions that would hinder timely execution of exploration programs.

Foreign Currency

A small portion of the Company's expenses are denominated in foreign currencies. The Company does not expect fluctuations in the exchange rate between the Canadian dollar and such other currencies will have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

Inflation

In the recent past, while inflation had not been a significant factor, the ongoing efforts of many governments to improve the availability of credit and stimulate domestic economic growth while incurring substantial deficits may result in substantial inflation and/or currency depreciation in the future.

Management and Directors

The Company is dependent on a relatively small number of directors and management personnel. The loss of any of one of those persons could have an adverse effect on the Company. The Company does not maintain key person insurance on any of its management.

15. DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that:

- the financial statements do not contain any untrue statement of material fact or, omit to state a material fact required to be stated or, that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and
- the financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P"), and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes following the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

16. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

17. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property expenditures is provided in the Company's audited financial statements for the year ended December 31, 2021 which are available on the Company's website at www.flynickel.com or on SEDAR at www.sedar.com.

18. PROPOSED TRANSACTION

On October 6, 2022 the Company and Nevada Vanadium Mining Corp. signed arrangement agreement pursuant to which Flying Nickel proposes to acquire all of the issued and outstanding common shares of Nevada Vanadium by way of a court-approved plan of arrangement (the "Transaction").

Under the terms of the agreement, Nevada Vanadium shareholders will receive one (1) (the "Exchange Ratio") Flying Nickel common share (a "Flying Nickel Share") for each Nevada Vanadium Share held immediately prior to the effective time of the Transaction, representing the equivalent of $0.155 per Nevada Vanadium Share, based on the closing price of Flying Nickel Shares on the TSX Venture Exchange (the "TSXV") on August 19, 2022. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Transaction will be exchanged for securities of Flying Nickel bearing substantially the same terms as the securities replaced based on the Exchange Ratio.

As at September 30, 2022 Flying Nickel has 62 million shares outstanding, and Nevada Vanadium has 53 million shares outstanding. Upon completion of the Transaction, the combined company (the "Resulting Issuer") will be owned approximately 54% by Flying Nickel shareholders and 46% by Nevada Vanadium shareholders The Resulting Issuer is expected to continue to be listed on the TSXV as a mining issuer.

19. FORWARD LOOKING INFORMATION

Certain Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

FLYING NICKEL MINING CORP.

Interim Condensed Financial Statements
For the three and nine months ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

RESPONSIBILITY FOR INTERIM CONDENSED FINANCIAL STATEMENTS

The accompanying condensed interim financial statements of Flying Nickel Mining Corp. and all information in this financial report are the responsibility of the Board of Directors and Management. The unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard ("IAS") 34 – Interim Financial Reporting and, where appropriate, include management's best estimates and judgments. Management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that financial information is timely and reliable. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the condensed interim financial statements. The Board of Directors carries out this responsibility principally through its Audit Committee. The Board of Directors appoints the Audit Committee, and all of its members are independent directors. The Audit Committee meets periodically with Management and the auditors to review internal controls, audit results, accounting principles and related matters. The Board of Directors approves the condensed interim financial statements on recommendation from the Audit Committee.

"John Lee"

John Lee
Chairman

"Zula Kropivnitski"

Zula Kropivnitski
Chief Financial Officer

November 28, 2022

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FLYING NICKEL MINING CORP.
Interim Condensed Statements of Financial Position
As at September 30, 2022 and December 31, 2021
(Expressed in Canadian Dollars) (Unaudited)

	Notes		As at September 30, 2022		As a December 31, 2021
Assets					
Current assets					
Cash		$	2,146,185	$	-
Restricted cash	6		-		6,715,407
Receivables			147,095		-
Prepaid expenses			308,573		400,138
Due from related party	11		1,076,223		868,688
Total current assets			3,678,076		7,984,233
Non-current assets					
Mineral property	4		37,470,556		-
Total assets		$	41,148,632	$	7,984,233
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	582,066	$	362,072
Premium on flow-through shares	7		-		132,225
Unrecognized government grant	4		19,062		
Liability for subscription receipts	6		-		6,376,712
Total current liabilities			601,128		6,871,009
Equity					
Share capital	8		42,459,073		1,247,240
Contributed surplus	8		979,687		37,586
Warrants to be issued	8		-		189,040
Deficit			(2,891,256)		(360,642)
Total equity			40,547,504		1,113,224
Total liabilities and equity		$	41,148,632	$	7,984,233

Description of Business and Nature of Operations (Note 1)
Subsequent Events (Note 13)

Approved on behalf of the Board:

"John Lee"	*"Mark Scott"*
John Lee	Mark Scott
Director and Chairman	Director

Vancouver, British Columbia

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

FLYING NICKEL MINING CORP.
Interim Condensed Statements of Operations and Comprehensive Loss
For the three and nine months ended September 30, 2022
(Expressed in Canadian Dollars) (Unaudited)

	Notes	Three months ended September 30, 2022	Nine months ended September 30, 2022
General and Administrative Expenses			
Advertising and promotion		$ 458,348	$ 623,713
Consulting	11	63,510	191,445
Directors' fee	11	23,000	65,800
Insurance		10,625	25,792
Office and administration		8,869	50,302
Salaries and benefits	11	94,478	321,538
Share based payments	8, 11	233,916	731,799
Stock exchange and shareholder services		45,060	171,160
Professional fees		139,049	452,190
Travel and accommodation		9,541	41,287
		1,086,396	2,675,026
Other items			
Grant	4	(12,188)	(12,188)
Recovery of flow through liability	7	(42,099)	(132,224)
Loss and Comprehensive Loss for the Period		$ 1,032,109	$ 2,530,614
Loss per Common share		$ 0.02	$ 0.04
Weighted average number of common shares outstanding		62,086,470	58,304,175

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

FLYING NICKEL MINING CORP.
Interim Condensed Statements of Changes in Equity
For the three and nine months ended September 30, 2022
(Expressed in Canadian Dollars) (Unaudited)

	Notes	Number of shares issued and outstanding	Share capital	Contributed surplus	Warrants to be issued	Deficit	Total
Balance, December 31, 2021		1,992,438	$ 1,247,240	$ 37,586	$ 189,040	$ (360,642)	$ 1,113,224
Shares cancelled on completion of the Arrangement		(1)	(1)	-	-	-	(1)
Shares issued under the Arrangement	8	50,000,000	35,000,000	-	-	-	35,000,000
Conversion of subscription receipts, net of share issue costs	8	10,094,033	6,400,874	-	-	-	6,400,874
Broker warrants	8	-	(189,040)	189,040	-	-	-
Warrants issuable		-	-	-	(189,040)	-	(189,040)
Share-based payments	8	-	-	753,061	-	-	753,061
Net loss and comprehensive loss for the period		-	-	-	-	(2,530,614)	(2,530,614)
Balance, September 30, 2022		62,086,470	$ 42,459,073	$ 979,687	$ -	$ (2,891,256)	$ 40,547,504

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

FLYING NICKEL MINING CORP.
Interim Condensed Statements of Cash Flows
For the three and nine months ended September 30, 2022
(Expressed in Canadian Dollars) (Unaudited)

		Nine months ended September 30, 2022
Operating activities		
Net loss for the period	$	(2,530,614)
Items not affecting cash		
Recovery of flow-through liability		(132,225)
Share based payments		731,799
Changes to working capital items		
Receivables		(147,095)
Prepaid expenses		91,565
Due from related party		(207,535)
Accounts payable and accrued liabilities		(153,993)
Cash used in operating activities		(2,348,098)
Investing activities		
Mineral property expenditures		(2,056,245)
Cash used in investing activities		(2,056,245)
Financing activities		
Share issue costs		(164,879)
Cash used in financing activities		(164,879)
Decrease in cash		(4,569,222)
Cash, beginning of period		-
Cash, released from escrow		6,715,407
Cash, end of period	$	2,146,185

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

(Expressed in Canadian Dollars) (Unaudited)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Flying Nickel Mining Corp. (the "Company" or "NickelCo") is a premier nickel sulphide mining and exploration company and is advancing its 100% owned Minago nickel project in the Thompson nickel belt in Manitoba, Canada.

On March 4, 2022, the Company's common shares were publicly listed on the TSX Venture Exchange under the symbol "FLYN". On April 8, 2022 the Company's common shares have started trading on the US OTCPK under the symbol "FLYNF". On May 31, 2022 the Company's common shares have started listing to the OTCQB.

The Company was incorporated on December 21, 2020, under the laws of the province of British Columbia, Canada and maintains its registered and records office at Suite 1610 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These unaudited interim condensed financial statements (the "Interim Financial Statements") have been prepared under the assumption that the Company is a going concern, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As at September 30, 2022, the Company has a deficit of $2,837,926. The operations of the Company have been primarily funded by the issuance of capital stock.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financings or generate profitable operations in the future. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern. The consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue its business.

2. ARRANGEMENT AND TRANSFER OF ASSETS

On January 14, 2022, Silver Elephant Mining Corp. ("ELEF") completed a strategic reorganization of its business through a statutory plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia) pursuant to which certain assets of ELEF were spun-out to the Company. Pursuant to the Arrangement, the common shares of Silver Elephant Mining Corp. were consolidated on a 10:1 basis and each holder of common shares received in exchange for every 10 pre-Consolidation common shares held: (i) one post Consolidation common share of Silver Elephant Mining Corp.; (ii) one common share of Flying Nickel Mining Corp.; (iii) one common share of Nevada Vanadium Mining Corp., and (iv) two common shares of Oracle Commodity Holding Corp.

The fair value of the net assets contributed pursuant to the Arrangement consisted of the following:

Assets		
Mineral property	$	35,031,008
Liability		
Trade and other payables		(31,008)
Fair value of net assets contributed		35,000,000

Pursuant to the Arrangement, the Company issued 50,000,000 common shares in consideration for the net assets received which resulted in an increase of share capital amounting to $35,000,000 (Note 4, 8). The fair value of the shares issued was based on the concurrent private placement unit price.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance and basis of preparation

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2021 ("Annual Financial Statements"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended December 31, 2021. These unaudited interim condensed financial statements follow the same accounting policies and methods of application as the Annual Financial Statements, except as noted in Note 3(c).

These unaudited condensed interim financial statements were approved and authorized for issue by the Audit Committee on November 28, 2022.

(b) Use of judgments and estimates

In preparing these interim financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Financial Statements.

(c) New accounting policies adopted by the Company in the current period

Net assets acquired under the plan of arrangement

Assets and liabilities acquired under the plan of arrangement have been assessed individually to determine their fair value under current market conditions. Fair value is measured with reference to the fair value of the equity issued as consideration. The Company believes that the valuation assumptions reflect a reasonable estimate of the fair value of each account or asset.

Leases

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset. At inception or on assessment of a contract that contains a lease component, we allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. As a lessee, we recognize a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, our incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, and extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit (loss). We have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit (loss) on a straight-line basis over the lease term.

The Company does not currently have any leases that satisfy the conditions under IFRS 16 – leases to record a right-of-use asset and corresponding lease liability. The Company does not currently have any leases that satisfy the conditions under IFRS 16 – leases to record a right-of-use asset and corresponding lease liability. As at September 30, 2022, the Company has capitalized an amount of $148,317 related to short-term leases to mineral properties.

Mineral properties

Mineral property assets consist of exploration and evaluation costs. Costs directly related to the exploration and evaluation of resource properties are capitalized to mineral properties once the legal rights to explore the resource properties are acquired or obtained. These costs include acquisition of rights to explore, license and application fees, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Mineral properties are reviewed at least annually for indicators of impairment and are tested for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balances of the payments received are recorded as a gain on option or disposition of mineral property.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Title to mineral properties

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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, nor has the Company insured title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(ii) Realization of mineral property assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, and the attainment of successful production from properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into profitable producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(iii) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. As at September 30, 2022, the Company is not aware of any existing environmental issues related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

(iv) Government grant

The Company recognizes government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

(Expressed in Canadian Dollars) (Unaudited)

4. MINERAL PROPERTY

		Minago project
Balance, December 31, 2021	$	-
Additions		
Assets transferred under the Arrangement	$	35,031,008
Licenses, taxes, fees and permits		203,052
Feasibility		695,389
Exploration		639,022
Drilling		610,825
Personnel, camp and general		269,999
Stock based compensation		21,261
Total exploration during the period		2,439,548
Balance, September 30, 2022	$	37,470,556

On January 14, 2022, pursuant to the Arrangement, the Company issued 50,000,000 common shares in consideration for Minago Nickel project mineral property assets and the assumption of certain liabilities related to the underlying assets. The fair value of Minago project of $35,031,008 was determined based on the Company's private placement, pursuant to which 10,094,033 common shares were issued at a price of $0.70 per share.

The Minago Project is located in northern Manitoba, Canada within the southern part of the Thompson Nickel Belt.

Minago Royalty

On January 14, 2022, under the terms of the Arrangement and pursuant to the royalty agreement between the Company and ELEF dated August 25, 2021 ("Minago Royalty Agreement"), the Company has granted and agreed to pay, among other things, in each fiscal quarter where the average price per pound of nickel as reported on the Nominated Metals Exchange or Substitute Metals Exchange (in each case as defined in the Minago Royalty Agreement) in the event such pricing is not reported on the Nominated Metals Exchange exceeds $15.00, to the Company, a royalty equal to two per cent (2%) of returns in respect of all mineral products produced from certain mineral claims and leases in Manitoba, Canada which comprise Flying Nickel's Minago nickel property after the commencement of commercial production. Each royalty payment will be provisional and subject to adjustment in accordance with the Minago Royalty Agreement.

In August 2022 the Company's application for Flying Nickel Mining Corp. proposed *Minago Limestone Quarry* project received conditional approval for a $31,250 nonrepayable grant from the Manitoba Mineral Development Fund (MMDF). The funds were received in September 2022. As at September 30, 2022 the Company has $19,062 in unrecognized grant.

Glencore Net Smelter Royalty

The Minago property claims are subject to a net smelter return ("NSR") royalty interest (the "Glencore Royalty") retained by Glencore Canada Corporation ("Glencore"). The Glencore Royalty in respect of nickel, shall for any calendar quarter be: (i) 2% NSR royalty when the London Metals Exchange 3-month nickel price is equal to or greater than US$13,227 per tonne in that quarter; and (ii) a 1% NSR when the London Metals Exchange 3-month nickel price is less than US$13,227 per tonne in that quarter. The Glencore Royalty in respect of other minerals, metals and concentrates, shall be a 2% NSR. In the event that the Glencore Royalty consists of a 2% NSR royalty, Flying Nickel may purchase a portion of the royalty interest which represents in the aggregate no more than 1% of the royalty interest for $1,000,000. The Glencore Royalty interest shall never be less than a 1% NSR.

(Expressed in Canadian Dollars) (Unaudited)

6. SUBSCRIPTION RECEIPTS

On November 29, 2021, pursuant to the Arrangement (Note 2), the Company issued:

(i) 10,094,033 subscription receipts of the Company (each, a "Non-FT Subscription Receipt") at a price of $0.70 per Non-FT Subscription Receipt for gross proceeds of $7,065,824 from the sale of Non-FT Subscription Receipts; and

(ii) 1,992,437 flow-through eligible subscription receipts of the Company (each, a "FT Subscription Receipt) at a price of $0.77 per FT Subscription Receipt for gross proceeds of $1,534,176;

On December 30, 2021, gross proceeds of $1,534,176 were released from escrow to Flying Nickel upon converting an aggregate of 1,992,437 FT Subscription Receipts into 1,992,437 flow-through common shares of Flying Nickel at a price of $0.77 per share (note 7).

Gross proceeds of $7,065,824 from the issuance of 10,094,033 NFT Subscription Receipts of the Company remained subject to escrow as at December 31, 2021. The Company incurred broker commissions and out-of-pocket costs of $664,950. Warrants issuable of $189,040 were recorded as equity (Note 8) and added to deferred transaction costs to be netted against the subscription receipts.

On January 14, 2022 the Subscription Receipts were released to the Company upon satisfaction of certain additional escrow release conditions, including receipt of final approval of the Supreme Court of British Columbia, in connection with the Arrangement.

7. PREMIUM ON FLOW-THROUGH SHARES

During the period ended December 31, 2021, the Company issued 1,992,437 flow-through shares for gross proceeds of $1,534,176 (Notes 6 and 8) and recognized a deferred premium of flow-through shares of $139,471.

A continuity of the premium on flow-through shares is as follows:

	September 30, 2022		December 31, 2021	
Balance, beginning of period	$	132,225	$	-
Liability incurred on flow-through shares issued		-		139,471
Settlement of expenditures made recorded as other income		(132,225)		(7,246)
Balance, end of period	$	-	$	132,225

8. SHARE CAPITAL

a) Authorized Share Capital

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As at September 30, 2022, the Company had 62,086,470 (December 31, 2021 – 1,992,438) common shares issued and outstanding.

b) Issued Share Capital

During the period from January 1, 2022 to September 30, 2022

On January 14, 2022, pursuant to the Arrangement, the Company issued 50,000,000 common shares with a fair value of $0.70 per share (Note 2).

(Expressed in Canadian Dollars) (Unaudited)

8. SHARE CAPITAL (continued)

On January 14, 2022 and February 28, 2022, a total of 5,844,033 and 4,250,000 non-FT Subscription Receipts (Note 6) were converted into 5,844,033 and 4,250,000 units (the "Units") of the Company at a price of $0.70 per Unit, with each Unit consisting of one common share and one-half of one common share purchase warrant exercisable at a price of $1.00 until November 29, 2023, for gross proceeds of $7,065,824. The Company incurred broker commissions and out-of-pocket costs of $664,950 which has been recorded as share issuance costs. An aggregate of 597,069 broker warrants with a fair value of $189,040 were issued, with each broker warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.70 per common share until November 29, 2023.

On January 14, 2022, pursuant to the Arrangement, the Company cancelled one founder share with a fair value of $1.

During the period from incorporation on December 21, 2020 to December 31, 2021

On December 21, 2020, the Company issued one founder share with a fair value of $1 upon incorporation of the Company to Silver Elephant Mining Corp.

On December 30, 2021, a total of 1,992,437 FT Subscription Receipts (Note 7) were converted into 1,992,437 flow-through common shares of the Company at a price of $0.77 per share, for gross proceeds of $1,534,176. The Company incurred broker commissions and out-of-pocket costs of $109,880 which has been recorded as share issuance costs. An aggregate of 119,546 broker warrants with a fair value of $37,586 were issued, with each broker warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.70 per common share until November 29, 2023.

c) Share purchase warrants

The following is a summary of changes in the Company's share purchase warrants during the nine months ended September 30, 2022.

	Number of warrants	Weighted average exercise price	
Outstanding, December 31, 2021	119,546	$	0.70
Issued – broker warrants	597,069		0.70
Issued – financing warrants	5,047,017		1.00
Outstanding, September 30, 2022	**5,763,632**	**$**	**0.96**

The fair value of $189,040 of issued 597,069 broker warrants was determined using the Black-Scholes option pricing model using the following assumptions: (1) a risk-free interest rate of 0.96%; (2) expected life of two years; (3) expected volatility of 83%, and (4) dividend yield of nil.

As of September 30, 2022, the following warrants were outstanding:

Exercise price	Expiry date	Number of warrants as at September 30, 2022	Remaining life, years
$ 0.70	November 29, 2023	716,615	1.16
$ 1.00	November 29, 2023	5,047,017	1.16

(Expressed in Canadian Dollars) (Unaudited)

8. SHARE CAPITAL (continued)

d) Share based compensation plan

The Company has a 10% rolling equity-based compensation plan in place, as approved by the Company's shareholders on December 22, 2021 (the "2021 Plan"). Under the 2021 Plan, the Company may grant stock options, bonus shares or stock appreciation rights. All stock options and other share-based awards granted by the Company, or to be granted by the Company, since the implementation of the 2021 Plan will be issued under, and governed by, the terms and conditions of the 2021 Plan. The stock option vesting terms are determined by the Board of Directors on the date of grant with a maximum term of 10 years.

During the nine months ended September 30, 2022 the Company granted 5,690,000 incentive stock options to its directors, officers and consultants. The stock options are exercisable at an exercise price from $0.46 to $0.74 and expiry dates ranging from March 4, 2027 to April 20, 2027 and vest at 12.5% per quarter for the first two years following the grant date.

The following is a summary of changes in the Company's options during the nine months ended September 30, 2022.

	Number of warrants		Weighted average exercise price
Outstanding, December 31, 2021	-	$	-
Granted	5,690,000		0.69
Cancelled	(1,040,000)		0.63
Outstanding, September 30, 2022	**4,270,000**	**$**	**0.70**

The following table summarizes the stock options outstanding as at September 30, 2022.

Exercise price	Expiry date	Options outstanding	Vested
$ 0.70	March 4, 2027	4,120,000	1,215,000
$ 0.74	March 17, 2027	150,000	37,5000
		4,270,000	1,252,500

Share-based payment expenses resulting from stock options are amortized over the corresponding vesting periods. Share based payments are either capitalized as exploration costs where related to mineral properties or expensed as general and administrative expenses where related to general operations of the Company.

The nine months ended September 30, 2022 included $731,799 in share-based payment costs related to stock options expensed as general and administrative expenses and $21,261 capitalized to mineral properties.

During the nine months ended September 30, 2022, the share-based payment expenses were calculated using the following weighted average assumptions:

	September 30, 2022
Grant date fair value	$ 0.42
Risk free interest rate	1.53%
Expected life	5 years
Expected volatility	84.18%
Dividend yield	0%
Forfeiture rate	0%

(Expressed in Canadian Dollars) (Unaudited)

9. FINANCIAL INSTRUMENTS

a) Fair Value

Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest to Level 3 inputs. The following table sets forth the Company's financial assets and financial liabilities measured at fair value by level within the fair value hierarchy.

	Level 1	Level 2	Level 3
Financial assets			
Cash, September 30, 2022	$ 2,146,185	$ -	$ -
Restricted cash, December 31, 2021	$ 6,715,407	$ -	$ -

b) Categories of financial instruments

The Company considers that the carrying amount of all its financial assets and financial liabilities measured at amortized cost approximates their fair value due to their short-term nature. Restricted cash approximates fair value due to the nature of the instrument. The Company does not offset financial assets with financial liabilities. There were no transfers between Level 1, 2 and 3 for the period ended September 30, 2022.

The Company's financial assets and financial liabilities are categorized as follows:

	September 30, 2022	December 31, 2021
Financial assets		
Fair value through profit and loss		
Cash and cash equivalents	$ 2,146,185	$ -
Restricted cash	-	6,715,407
Amortized cost		
Receivables	147,095	-
Due from related parties	1,076,223	868,688
	$ 3,369,503	$ 7,584,095
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	$ 582,066	$ 362,072
Liability for subscription receipts	-	6,376,712
	$ 582,066	$ 6,738,784

9. FINANCIAL INSTRUMENTS (continued)

c) Financial risk management

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its credit risk on restricted cash by placing these instruments with institutions of high credit worthiness. As at September 30, 2022, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its financial obligations as they fall due. The Company manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements. As at September 30, 2022 the Company had a cash balance of $2,146,185 (December 31, 2021: restricted cash of $6,715,407) and had accounts payable and accrued liabilities of $582,066 (December 31, 2021: $362,072), which have contractual maturities of 90 days or less.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and equity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as at September 30, 2022.

Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at September 30, 2022, the Company had no financial instruments denominated in foreign currencies and is not exposed to any currency risk.

Equity Price Risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken. Fluctuations in value may be significant.

(Expressed in Canadian Dollars) (Unaudited)

10. CAPITAL RISK MANAGEMENT

Management considers its capital structure to consist of share capital, share purchase options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to, and required by the Company in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative returns on capital criteria for management. In order to facilitate the management of its capital requirement, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors. The annual and updated budgets are approved by the Board of Directors.

The properties, to which the Company currently has an interest in, 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 development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in managements approach to capital management during the period ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

11. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party balances

As at September 30, 2022 the Company had balances due to related parties as follows:

	September 30, 2022	December 31, 2021
Prepayment for management services	$ -	$ 400,138
Due from related party	1,076,223	868,688
Due to directors	(17,000)	(14,000)
	$ 1,059,223	$ 1,254,826

The Company has entered into a Mutual Management Service Agreement (the “Agreement”) with ELEF, pursuant to which the Companies will provide each other with general, technical and administrative services, as reasonably requested. The prepayment for management services of $Nil (December 31, 2021 - $221,637) represents the outstanding balance of $Nil (December 31, 2021 - $500,000) prepaid. In connection with the Agreement, during the nine months ended September 30, 2022 the Company recorded $355,140 in cost recoveries related to services provided.

The due from related party balance as at September 30, 2022 represents the remaining balance receivable from ELEF relating to the amount received by ELEF upon the conversion of the FT Subscriptions Receipts on behalf of the Company and other expenditures in regards to general, technical and administrative services provided by the Company to Silver Elephant Mining Corp.

The accounts payable and accrued liabilities of $17,000 as at September 30, 2022 (December 31, 2021 - $Nil) represent $17,000 payable for director fees.

b) Key management personnel compensation

During the nine months ended September 30, 2022, the Company had related party transactions with key management personnel and a private company controlled by John Lee, Executive Chairman of the Company, in providing management and consulting services to the Company.

(Expressed in Canadian Dollars) (Unaudited)

11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation is comprised of:

		September 30, 2022
Directors' fee	$	65,800
Payment to officers allocated to salary		190,110
Share based compensation allocated to officers		26,006
Advertising and promotion		90,000
Consulting		26,250
	$	398,166

Due from related parties represents amount due from companies with common management.

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended September 30, 2022 the Company recorded following non-cash transactions related to financing and investing activities:

		Nine months ended September 30, 2022
Conversion of subscription receipts	$	6,376,712
Cancellation of one founder share	$	1
Broker warrants reclassified from warrants issuable	$	189,040
Mineral property expenditures included in accounts payable	$	393,247
Share based payments capitalized in mineral properties	$	21,262
Shares issued under the Arrangement	$	35,000,000

13. SUBSEQUENT EVENTS

Subsequent to the period ended September 30, 2022 the Company and Nevada Vanadium Mining Corp. (formerly 1324825 B.C. Ltd.) ("Nevada Vanadium") signed arrangement agreement dated October 6, 2022 pursuant to which Flying Nickel proposes to acquire all of the issued and outstanding common shares of Nevada Vanadium (the "Nevada Vanadium Shares") by way of a court-approved plan of arrangement (the "Transaction").

Under the terms of the agreement, Nevada Vanadium shareholders will receive one (1) (the "Exchange Ratio") Flying Nickel common share (a "Flying Nickel Share") for each Nevada Vanadium Share held immediately prior to the effective time of the Transaction, representing the equivalent of $0.155 per Nevada Vanadium Share, based on the closing price of Flying Nickel Shares on the TSX Venture Exchange (the "TSXV") on August 19, 2022. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Transaction will be exchanged for securities of Flying Nickel bearing substantially the same terms as the securities replaced based on the Exchange Ratio.

As at September 30, 2022 Flying Nickel has 62 million shares outstanding, and Nevada Vanadium has 53 million shares outstanding. Upon completion of the Transaction, the combined company (the "Resulting Issuer") will be owned approximately 54% by Flying Nickel shareholders and 46% by Nevada Vanadium shareholders The Resulting Issuer is expected to continue to be listed on the TSXV as a mining issuer.