FLYING NICKEL Mining Corp.

Management's Discussion and Analysis

For the Fifteen Months Ended March 31, 2023

(Expressed in Canadian dollars, except where indicated)

Dated July 29, 2023

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(Expressed in Canadian dollars, except where indicated)

This Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Flying Nickel Mining Corp.'s (the "Company", "Issuer", "Flying Nickel" or "FLYN") performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited financial statements and related notes for the fifteen months ended March 31, 2023 (the "Annual Financial Statements"), which was prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), all of which are available under the Company's SEDAR profile at www.sedar.com. Additional information relating to the Company is on SEDAR at www.sedar.com. "This Quarter", "Current Quarter" or "Q5 2023" means the three-month period ended March 31, 2023 and "This Period" or "Current Period" means the fifteen-month period ended March 31, 2023. The information contained in this MD&A is current to July 29, 2023.

On December 30, 2022, the Company changed its financial year end from December 31 to March 31.

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.

Profile and Strategy

Flying Nickel is a premier nickel sulphide mining and exploration company, and is advancing its 100% owned Minago nickel project (the "Minago 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 (the "TSXV") 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.

Overall Performance and Outlook

The following highlights the Company's overall performance for the fifteen months ended March 31, 2023:

	Fifteen Months Ended March 31, 2023 ($)	December 21, 2020 to December 31, 2021 ($)	Change
Net loss	(4,092,716)	(360,642)	(3,732,074)
Cash used in operating activities	(3,141,708)	(1,274,641)	(1,867,067)
Cash at end of period	343,730	-	343,730
Loss per share – basic and diluted	(0.07)	(67.86)	67.79

Corporate Updates

- In April 2022 the Company purchased a domain name nickel.com for $313,977 in the open market from independent seller.

- On December 15, 2022, Mr. Andrew Yau, CPA, CGA was appointed as Chief Financial Officer of the Company, replacing Ms. Zula Kropivnitski, who resigned for personal reasons. Mr. Yau is an accomplished financial executive with diverse M&A experience in the mining sector complemented with strong International Financial Reporting Standards (IFRS) and public company compliance knowledge. Mr. Yau previously held senior financial positions with several Toronto Stock Exchange and TSX Venture Exchange listed companies and most recently as Executive Vice President and Chief Financial Officer of Orea Mining Corp. Mr. Yau, CPA, CGA, holds a Bachelor of Commerce and Business Administration degree from the University of British Columbia and has been in accounting and finance roles with publicly listed companies since 2006.

- On January 3, 2023 the Company announced the granting of incentive stock options to certain directors, officers and employees to acquire a total of 1,400,000 common shares in the capital of the Company at an exercise price of $0.135. All Options were granted pursuant to the Company's 10% rolling stock option plan (the "Plan") and are subject to the terms of the Plan, the applicable grant agreements and the requirements of the TSXV. The Options are exercisable for a five-year term expiring January 3, 2028. The Options will vest at 12.5% per quarter for the first two years following the grant date.

- On March 10, 2023, the Company announced the appointment of Mr. Greg Hall to its board of directors. Mr. Hall is President and Director of Water Street Assets, and a Member of the Institute of Corporate Directors. Mr. Hall is a graduate of the Rotman School of Management, University of Toronto, SME Enterprise Board Program, and a Member of the Institute of Corporate Directors. The Company also announced the resignation of Mr. Mark Scott.

- On April 21, 2023, the Company repriced an aggregate of 5,047,016 outstanding common share purchase warrants of the Company issued pursuant to a warrant indenture dated November 29, 2021 between the Company and Computershare Trust Company of Canada, as warrant agent (the "Warrant Indenture") (the "Warrant Repricing").

  In connection with the Warrant Repricing, the Company adjusted the exercise price of the warrants from $1.00 to $0.20 and amended the expiry date of the warrants to add an acceleration clause such that in the event the closing price of the Company's common shares on the TSXV exceeds $0.25 for any ten consecutive trading days following the Warrant Repricing, the expiry date of the warrants shall be accelerated from November 29, 2023 to a date that is 30 days following the seventh calendar day following the ten consecutive trading day period. All other terms of the warrants remain unchanged.

- On April 24, 2023, the Company appointed Mr. Adrian Lupascu as the Company's VP of Exploration. Mr. Lupascu is a "Qualified Person" as defined in National Instrument 43-101 ("NI 43-101"). He holds a bachelor's degree in geological engineering and a master's degree in geochemistry. As an accomplished geologist and engineer, he has more than 20 years of experience in mining exploration and development for nickel platinum-group-metals, other precious and base metals projects.

- On May 1, the Company repriced the exercise price of 3,810,000 Options from $0.70 to $0.20 and 150,000 Options from $0.74 to $0.20.

- On June 15, 2023, the Company announced the appointment of Mr. Jim Rondeau to its Board of Directors. Mr. Rondeau is currently the President of Systematic Design and Plum Creative, two international award-winning design companies that work around the world. He also serves as vice president of ICMD, a company that provides pharmacy and medical services to First Nation and other clients in Western Canada. He serves on the National Board of The Canadian Gay and Lesbian Chamber of Commerce, Toba Grown Inc. as well as other Non-Profit Boards. Mr. Rondeau is a former member of the Legislative Assembly of Manitoba from 1999 to 2016, and served as a cabinet minister from 2003 to 2013. In 2004, Mr. Rondeau was promoted to a full cabinet portfolio as Minister of Industry, Economic Development and Mines. Under Mr. Rondeau's leadership, Manitoba was recognized as the Best Jurisdiction for Mining in the world by the Fraser Institute. During his tenure 2 new mines were opened and one reopened in Manitoba. He has received the Queen's Jubilee Award, The Canadian Cancer Society Recognition Award and the Fred Douglas Foundation Award.

(Expressed in Canadian dollars, except where indicated)

Arrangement And Transfer of Assets

On January 14, 2022, Silver Elephant Mining Corp. ("Silver Elephant") completed a strategic reorganization of its business through a statutory plan of arrangement (the "Silver Elephant Arrangement") under the Business Corporations Act (British Columbia) pursuant to which certain assets of Silver Elephant were spun-out to the Company.

Pursuant to the Silver Elephant Arrangement, the common shares of 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 Oracle Commodity Holding Corp (formerly Battery Metals Royalties Corp.) ("Oracle" or "Battery Metals").

As a result of the Silver Elephant Arrangement, the Minago Project along with the assumption of certain liabilities related to the underlying assets was spun out by Silver Elephant into Flying Nickel in exchange for the issuance of 50,000,000 of Flying Nickel shares. The Silver Elephant Arrangement does not meet the definition of a business combination under IFRS 3. The assets acquired and liabilities assumed through the Silver Elephant Arrangement were considered as a group reorganization and were accounted based on Silver Elephant's carrying amounts immediately prior to the spin out with a corresponding adjustment in the amount of $16,423,987 to share capital.

	($)
Assets	
Exploration and evaluation asset	16,458,495
Liabilities	
Trade and other payables	(34,508)
Net assets	**16,423,987**

Discussion of Operations

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 Project is comprised of 94 mining claims and two mining leases.

Minago Royalty

On January 14, 2022, under the terms of the Silver Elephant Arrangement and pursuant to the royalty agreement between the Company and Silver Elephant 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 US$15 per pound, a royalty equal to two per cent (2%) of returns in respect of all mineral products produced from certain mineral claims and leases in the Minago Project after the commencement of commercial production. Each royalty payment will be provisional and subject to adjustment in accordance with the Minago Royalty Agreement. Oracle is the current holder of this royalty.

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$13,227.74 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.

Minago Project updates for 2022 and 2023 are as follows:

- On March 7, 2022, the Company commenced a drilling program for the Minago Project. A total of seven holes totaling 4,980 meters of exploration and infill drilling were planned for the program, testing the Minago Project'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 the Minago Project'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.

- 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 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 NHCN 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. An update was provided on January 17, 2023 (see below).

  The MOU represents a significant milestone for the development of the Minago Project, 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 16, 2022, the Company commissioned a Feasibility Study (the "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. An update was provided on January 17, 2023 (see below).

  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 was 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. An update was provided on January 17, 2023 (see below).

- 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. Additional details are can be obtained from the corresponding news release on the Company's website at www.flynickel.com.

- On October 11, 2022 and November 14, 2022, the Company announced the diamond drill results from the Minago project. Additional details are on the Company's website.

- On November 14, 2022, the company announced that it has filed its independent Technical Report titled "NI 43-101 Technical Report on the Mineral Resource Estimate for the Minago Nickel Project" (the "Report") with a report date of September 22, 2022 and an effective date of February 28, 2022. The Report was prepared by Mercator Geological Services Limited. AGP Mining

Consultants Inc. provided pit optimization and associated services, The report has been filed under the Company's profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

- On January 17, 2023 the Company announced an update a Minago Project update as follows:

  - Environmental Act License and Notice of Alternation - The EAL for the Minago Project was approved in 2011 pending a NOA request, issued by the Manitoba government in 2014 involving a change to the Tailings and Waste Rock Management facility.

    Flying Nickel prepared and submitted the response to the NOA in late 2021. In June 2022, Flying Nickel submitted additional technical information and an executive summary regarding the Minago Project by request. The Company has not received further comments from the ministry and anticipates the NOA review to be completed in the first half of 2023. A rectified EAL will permit the construction of a mine that supports a 10,000 tonne-per-day open-pit mining operation at the Minago Project in Manitoba.

  - Impact Benefit Agreement with Norway House Cree Nations

    NHCN and Flying Nickel have been working towards finalizing the Impact Benefit Agreement ("IBA") since the signing of the MOU to advance the development of the Minago Project. The IBA highlights include (i) establishing a cooperative and mutually respectful long-term relationship; (ii) providing employment capacity support and economic opportunities to NHCN and its members; (iii) 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 the Minago Project.

    The IBA development process had identified additional areas of co-operation via the production and marketing of limestone (Dolomite) and granite by-products from the Minago Project pre-stripping.

    The IBA and NOA once signed will significantly advance the development of Minago, one of the largest open-pit optimized greenfield Nickel PGM projects in Canada, potentially having one of the lowest carbon footprint mining operations in the world, utilizing Manitoba's renewable hydro electricity generation and electrified mining fleet.

  - Feasibility Study

    The commissioning of Minago Feasibility Study started in late Q1 2022. The study is a 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). Substantial portions of the Feasibility Study are complete

    The Company and its consultants, including Qualified Persons, have identified approximately 7,061 meters of sections in 97 holes to assay for PGM. The Company's objective is to publish a maiden PGM resource for the Minago Project to be potentially incorporated into ongoing Minago Feasibility Study in 2023, providing definitive project economics to help the Company reach project construction decisions and conclude project financing.

- On March 14, 2023, the Company announced the signing of the IBA with NHCN to advance the development of Minago. The IBA establishes the framework for Flying Nickel and NHCN to work together during all stages of the Minago project in its exclusive traditional territory. It sets the terms under which the project will be developed and operated throughout the complete project lifecycle with the consent and support of the NHCN.

  Specific terms of the IBA remain confidential. But generally, they include cooperation between Flying Nickel and NHCN by (i) establishing a cooperative and mutually respectful long-term relationship; (ii) providing employment capacity support and business opportunities to NHCN and its members; (iii) providing an independent director seat on the Flying Nickel board (with the person to be nominated by NHCN); (iv) providing a specialized mechanism for NHCN to subscribe to Flying Nickel common shares to increase project participation; (v) revenue-sharing payments to NHCN based on nickel revenues generated by the project; and

(Expressed in Canadian dollars, except where indicated)

(vi) through a joint effort minimizing unforeseen disruption and providing certainty for investment, access, and ownership of resource rights in respect of Minago.

Mining at the Minago project will generate significant quantities of high-quality dolomitic limestone and granitic country rock, which are raw materials used in the cement and construction industries. The IBA includes provisions for establishing a joint venture partnership between Flying Nickel and NHCN which processes and markets those by-products. This will create additional revenue and local employment.

- On March 30, 2023, the Company announced the initial platinum-group-metals (PGM) assay results from Minago. Further details can be found in the press release available on the Company's website.

- On April 19, 2023, May 4, 2023 and May 29, 2023, the Company announced additional PGM assay results from Minago. Further details can be found in the press release available on the Company's website.

Minago Project	**($)**
Balance, December 21, 2020 and December 31, 2021	-
Assets transferred under the Arrangement	16,458,495
Licenses, taxes, fees and permits	373,740
Feasibility	1,183,974
Exploration	972,989
Drilling	610,825
Personnel, camp and general	509,732
Shares based payments	16,564
Balance, March 31, 2023	**20,126,319**

Restatement

The Company has identified an error in relation to prior year financial statements presentation of NFT Subscription Receipts resulting an understatement of total assets of $689,112 and understatement of total liabilities for the same amount as below. There is no impact to the Company's statements of equity, operations and cash flows.

	December 31, 2021 Previously presented ($)	**Restatement ($)**	**December 31, 2021 Restate ($)**
Deferred financing cost	-	689,112	689,112
Total assets	7,984,233	689,112	8,673,345
Liability for subscription receipts	6,376,712	689,112	7,065,824
Total liabilities	6,871,009	689,112	7,560,121

(Expressed in Canadian dollars, except where indicated)

Summary Of Quarterly Results

The following table summarizes selected consolidated financial information prepared in accordance with IFRS for the eight most recently completed quarters:

Quarter Ending	Quarter Name	Net Loss For The Period ($)	Basic Loss Per Share ($)	Diluted Loss Per Share ($)
March 31, 2023	Q5 2023	(671,712)	(0.01)	(0.01)
December 31, 2022	Q4 2022	(890,390)	(0.01)	(0.01)
September 30, 2022	Q3 2022	(1,032,109)	(0.02)	(0.02)
June 30, 2022	Q2 2022	(315,253)	(0.01)	(0.01)
March 31, 2022	Q1 2022	(1,183,252)	(0.02)	(0.02)
December 31, 2021	Q4 2021[1]	(360,642)	(67.86)	(67.86)

[1] The Company was listed on the TSXV on March 4, 2022, and as such, has not presented quarterly financial information prior to Q4 2021.

	Cash ($)	Restricted Cash ($)	Total Assets ($)	Total Non-Current Financial Liabilities ($)
March 31, 2023	343,730	-	22,222,530	-
December 31, 2022	584,998	-	22,012,210	-
September 30, 2022	2,146,185	-	22,572,619	-
June 30, 2022	3,632,773	-	23,105,677	-
March 31, 2022	5,037,707	-	23,286,904	-
December 31, 2021[1]	-	6,715,407	8,673,345	-

[1] The Company was listed on the TSXV on March 4, 2022, and as such, has not presented quarterly financial information prior to December 31, 2021.

During the quarter ended March 31, 2023, the accounting treatment for the acquisition of the Minago Project through the Silver Elephant Arrangement was corrected for the past four quarters (3 months ended March 31, 2022, June 30, 2022, September 30, 2022 and December 31, 2022). This correction involved using the carrying amount of $16,458,495 from Silver Elephant for the acquisition of the Minago Project. As a result of this correction, the exploration and evaluation asset and share capital decreased by $18,576,013, but it had no impact on the Company's net loss, basic and diluted loss per share.

In addition, in Q5 2023 the Company corrected the classification of the NFT Subscription Receipts between share capital and reserves due to the correction of measurement method of the financing warrants. The detached warrants issued in conjunction with NFT Subscription Receipts were originally measured using the Black-Scholes Model. Based on the Company's accounting policy, proceeds received from the issuance of units, consisting of common shares and warrants, are allocated first to common shares, with any excess amount allocated to warrants. As a result, the value of the detached warrants issued in conjunction with private placement has been adjusted from $1,560,129 to $403,761. This resulted in an increase in share capital and a decrease in reserves by $1,156,368. This correction has no impact on the Company's net loss, basic and diluted loss per share.

<u>Q5 2023 Compared with Q4 2021</u>

Net loss this quarter was $671,712 compared to $360,642 during Q4 2021. The higher net loss this quarter is primarily attributable to a general increase in general and administrative expenses as the Company is ramping up its activities. Of note are the following items:

- Increased professional fees of $108,600 this quarter, compared to $54,570 in Q4 2021, mainly in connection with the plan of arrangement.

(Expressed in Canadian dollars, except where indicated)

- Share-based payments of $212,371 this quarter, compared to $nil in Q4 2021, in connection with the vesting of share purchase options granted to certain directors, officers, employees and consultants of the Company.

- Consulting and management fees of $160,742, compared to $10,000 in Q4 2021. As a result of the Silver Elephant Arrangement and the Company being listed on the TSXV, the Company incurred higher CEO management fees along with other management and consulting fees.

Q5 2023 Compared with Q1 2022

Net loss this quarter was $671,712 compared to $1,183,252 during Q1 2022, significantly lower as a function of the Company managing its working capital and reducing costs. Of note are the following items:

- Advertising and promotion was reduced this quarter, to $4,669, compared to $145,076 during Q1 2022.

- Salaries and benefits were also reduced this quarter, to $60,657, compared to $209,180 in Q1 2022
- During Q1 2022, the Company also acquired and impaired the domain www.nickel.com in the amount of $313,977.

- The above amounts were partially offset with increased share-based payments expense of $212,371 this quarter, compared to $110,219, which relate to share purchase options granted to certain directors, officers, employees and consultants of the Company. Share-based payments expense are non-cash expenses.

Q5 2023 Compared with Q2 2022

During the three months ended March 31, 2023, the Company recorded a net loss of $671,712, compared to $315,253 in Q2 2022. The higher net loss this quarter, is mainly a result of increase consulting and management fee, salaries and benefits, office and administrations and stock exchange and shareholder services, partially offset by decrease share based payment. The general increase corresponds to the Company being listed on the TSXV and continuing to ramp up its activities relating to the Minago project.

Q5 2023 Compared with Q4 2022 and Q3 2022

Net loss this quarter was $671,712, compared to $890,390 during Q4 2022, and $1,032,109 during Q3 2022. The decrease this quarter is primarily attributable to lower operating costs, including advertising and promotion, salaries and benefits, director fees, professional fees and share-based payments expense, reflecting the Company's efforts to manage working capital and reduce certain costs.

Selected Annual Information

	Net Loss For the Period ($)	Basic Loss Per Share ($)	Diluted Loss Per Share ($)
15 Months Ended, March 31, 2023	(4,092,716)	(0.07)	(0.07)
December 21, 2020 to December 31, 2021[1]	(360,642)	(67.86)	(67.86)

[1] *The Company was incorporated on December 21, 2020, therefore annual financial information prior to this date has not been presented.*

	Cash ($)	Total Assets ($)	Total Non-Current Financial Liabilities ($)
March 31, 2023	343,730	22,222,530	-
December 31, 2021[1]	-	8,673,345	-

[1] *The Company was incorporated on December 21, 2020, therefore annual financial information prior to this date has not been presented.*

During the fifteen months ended March 31, 2023, the Company incurred a net loss of $4,092,716, compared to $360,642 for the period from incorporation on December 21, 2020 to December 31, 2021 (the "Initial Year"). The higher net loss this period is a result of the Company ramping up activities from the completion of the Arrangement and becoming a reporting issuer. Of note are the following items:

- Advertising and promotion of $205,947 this period, compared to $nil during the initial year, primarily to increase investor awareness.
- Consulting fees of $492,043 this period compared to $10,000 during the initial year, mainly in connection with increased business activity and includes certain management, administrative, advisory and other fees.
- Professional fees of $624,342 this period compared to $54,570 during the prior initial year. The increase is attributable to legal and audit fees in connection with the Company being publicly listed on the TSXV and the Transaction (see *Proposed Transaction*).
- Salaries and benefits totalled $654,076 this period compared to $122,817 during the Initial Year, representing the Company adding personnel to develop its business activities.
- Share-based payments totalled $1,396,001 this period, compared to $nil during the Initial Year. Share-purchase options were granted to certain directors, officers, employees and consultants of the Company during this period.
- The Company also acquired the domain www.nickel.com this period for $313,977, and included as an impairment of intangible asset in the statement of loss.

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.

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 $7,065,824 from the issuance of 10,094,033 Non-FT 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.

(Expressed in Canadian dollars, except where indicated)

On February 15, 2023, the Company issued an aggregate of 5,370,000 units for aggregate gross proceeds of $859,200. Each unit consisted of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.20 per share for 36 months from closing.

On April 17, 2023, the Company closed non-brokered private placement and issued an aggregate of 1,250,000 units for aggregate gross proceeds of $200,000. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.20 per share for 36 months from closing.

On May 12, 2023, the Company closed a non-brokered private placement of 200,000 units for gross proceeds of $32,000. Each unit is priced at $0.16 and consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.20 per share for 3 years.

The Company is using proceeds from the private placements for exploration drilling, completion of the Minago project feasibility study and for working capital purposes.

As at March 31, 2023, the Company had working capital of $1,801,774 compared to $1,948,849 at December 31, 2022 and $1,113,224 at December 31, 2021.

Cash flow information:

	Fifteen Months Ended March 31, 2023 ($)	**December 21, 2020 to December 31, 2021 ($)**
Cash used in operating activities	(3,141,708)	(1,274,641)
Cash used in investing activities	(3,924,291)	-
Cash from financing activities	694,322	7,990,048
Cash, end of the period	**343,730**	**-**

Operating activities**:** During fifteen months ended March 31, 2023, the Company used $3,141,708 in operating activities, primarily in salaries and benefits, professional fees and consulting fees, correlating to the Company's increased activities after completion of the Arrangement. During the Initial Year, the Company used $1,274,641 in operating activities. Cash used in operating activities during the Initial Year primarily relates to general and administrative expenses, and were significantly lower as the Company was not listed on the TSXV at the time.

Investing activities: During the fifteen months ended March 31, 2023, the Company invested $3,552,814 on the Minago Project. In addition, during the current period, the Company acquired the domain nickel.com for $313,977. There were no cash used in or from investing activities during the prior year comparative period.

Financing activities: During the fifteen months ended March 31, 2023, the Company received proceeds of $859,200 from equity offerings, partially offset with share issue costs of $164,878. During the Initial Year, the Company received aggregate proceeds of $7,990,048 from flow through and non flow through financings.

As at March 31, 2023 the Company had cash of $343,730, and current liabilities of $294,437. The Company will need to conduct additional financings to meet working capital requirements, and obligations as they become due.

Off-Balance Sheet Arrangements

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

(Expressed in Canadian dollars, except where indicated)

Related Party Transactions

The Company has entered into a Mutual Management and Technical Services Agreement (the "MMTSA") with Silver Elephant and other related entities commencing December 1, 2021 and subsequently amended April 1, 2023, pursuant to which the companies will provide each other with general, technical and administrative services, as reasonably requested. During the period from incorporation on December 21,2020 to December 31, 2021, the Company prepaid $500,000 pursuant to the MMTSA and incurred $99,862 in related fees.

The Company has entered into a consulting agreement with the Company's executive chairman, John Lee, effective on December 1, 2021, pursuant to which the Company agreed to pay a minimum service fee of $10,000 per month. The Company also agreed to issue up to 450,000 common shares (the "Bonus Shares") of the Company to this individual upon achieving certain corporate milestones defined in the agreement. No Bonus shares were issued or issuable for the fifteen months ended March 31, 2023 and for the period from incorporation on December 21, 2020 to December 31, 2021 because none of the milestones have been achieved.

The Company had related party transactions with key management personnel 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 the chief executive officer ("CEO"), chief financial officer ("CFO"), chief operating officer ("COO"), chief legal officer ("CLO"), executive and non-executive directors.

	Three Months Ended March 31, 2023 ($)	Three Months Ended March 31, 2023 ($)	Fifteen Months Ended March 31, 2023 ($)	December 21, 2020, to December 31, 2021 ($)
MMTSA fees charged by Silver Elephant, a company with certain directors and officers in common	60,314	-	334,805	99,862
MMTSA recoveries from Silver Elephant	(40,973)	(114,477)	(277,215)	-
MMTSA charged by Nevada Vanadium, a company under common control	21,140	-	102,474	-
MMTSA recoveries from Nevada Vanadium	(25,608)	-	(232,336)	-
MMTSA recoveries from Oracle, a company under common control	(10,244)	-	(127,147)	-
Management fees paid to John Lee, Chairman and Interim CEO of the Company	42,000	30,000	162,000	10,000
Salaries and benefits paid to key management of the Company	14,727	156,738	386,158	109,438
Directors' fees	13,116	19,000	94,116	4,000
Share-based payments to certain key management of the Company	47,594	98,661	629,187	-
	122,066	**189,922**	**1,072,042**	**223,300**

During the three and fifteen months ended March 31, 2023, the Company paid $nil and $116,375 respectively (2021 - $nil) to key management personnel for post-employment benefit, termination fees or other long term benefits.

(Expressed in Canadian dollars, except where indicated)

As at March 31, 2023 the Company had balances due from (to) related parties as follows:

	March 31, 2023 ($)	December 31, 2021 ($)
Receivable from Silver Elephant	980,056	868,688
Receivable from Nevada Vanadium	239,689	-
Receivable from Oracle	169,531	-
Prepaid expenses to Silver Elephant	-	400,138
Management fees payable to John Lee	-	(10,000)
Director's fees payable	(1,800)	(4,000)
	1,387,476	**1,254,826**

Proposed Transaction

On October 6, 2022 Flying Nickel and Nevada Vanadium signed an arrangement agreement, and as amended, 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. 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 the date of these financial statements, the Transaction is still in progress.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

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

Share-based compensation

The Company uses the Black-Scholes Option Pricing Model to fair value options in order to calculate share based compensation expense. The Black-Scholes Option Pricing Model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price of the Company's shares at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based compensation expense.

Impairment assessment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. The Company considered the following facts and circumstances in determination if it should test exploration and evaluation assets for impairment:

(i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
(ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
(iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
(iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that deferred exploration expenditures are not expected to be recovered, an impairment is charged to profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

An impairment charge relating to an exploration and evaluation asset may be subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. General exploration costs in areas of interest in which the Company has not secured rights are expensed as incurred.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

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

Changes in Accounting Standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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 exploration and evaluation assets. The Board of Directors does not establish quantitative returns on capital criteria for management.

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 fifteen months ended March 31, 2023. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars, except where indicated)

Fair Value Measurements and Financial Instruments

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 priority to Level 3 inputs.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. The fair value of cash, restricted cash and term deposit is measured at Level 1. At March 31, 2023, there were no financial assets measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

The fair value of the Company's financial instruments including cash, restricted cash, term deposit, other receivables, due from related parties, liability for subscription receipts, accounts payable and accrued liabilities approximates their carrying value due to the immediate or short-term maturity of these financial instruments. The Company does not offset financial assets with financial liabilities. There were no transfers between Level 1, 2 and 3 for the fifteen months ended March 31, 2023 for the period from incorporation on December 21, 2020 to December 31, 2021.

Financial Instrument	Measurement Method	Associated Risks	Fair value at March 31, 2022 ($)	Fair value at December 31, 2021 ($)
Cash	FVTPL (Level 1)	Credit	343,730	-
Restricted cash	FVTPL (Level 1)	Credit	-	6,715,407
Term deposit	FVTPL (Level 1)	Credit	57,500	-
Due from related parties	Amortized cost	Credit	1,389,276	868,688
Other receivables (excluding GST/HST receivables)	Amortized cost	Credit	1,067	-
Accounts payable and accrue liabilities	Amortized cost	-	(294,437)	(362,072)
Liability for subscription receipt	Amortized cost	-	-	(7,065,824)
			1,497,136	**156,199**

[1] Fair value through profit or loss

Financial Risks

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at March 31, 2023 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its financial obligations as they fall due. As at March 31, 2023 the Company had a cash balance including term deposit, of $401,230 (December 31, 2021- restricted cash of $6,715,407) and had accounts payable and accrued liabilities of $294,437 (December 31, 2021- $362,072), which have contractual maturities of 90 days or less. Liquidity risk is assessed as high and the Company manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements.

(b) 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 March 31, 2023 and December 31, 2021, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

(c) Market Risk

The market risks to which the Company may be exposed to are interest rate risk and currency 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. The Company is not subject to material interest rate risk for the fifteen months ended March 31, 2023 and for the period from incorporation on December 21, 2020 to December 31, 2021.

(ii) Currency Risk

The Company is exposed to foreign currency risk to the extent that monetary liabilities held by the Company are not denominated in Canadian dollars. The Company's operations is primary in Canada and the Company is not subject to material currency risk.

Outstanding Share Data

The Company has authorized capital of an unlimited number of common shares without par value. The table below represents the Company's capital structure as at the date of this MD&A and March 31, 2023:

	As at date of this MD&A	**March 31, 2023**
Common shares issued and outstanding	69,238,620	67,788,620
Share purchase options outstanding	5,535,000	5,360,000
Share purchase warrants	12,915,781	11,465,781

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.

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.

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 fifteen months ended March 31, 2023, which is available on the Company's website at www.flynickel.com or on SEDAR at www.sedar.com.

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.*

General Corporate Information:

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Transfer Agent and Registrar
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3rd Floor, 510 Burrard Street,
Vancouver, BC, Canada, V6C 3B9
Tel: +1 (604) 661-9400

Investor and Contact Information

All financial reports, news releases and corporate information can be accessed by visiting the Company's website at: www.flynickel.com.

Investor & Media requests and queries: Email: info@flynickel.com

Directors and Officers

As at the date of this MD&A, the Company's directors and officers are as follows:

Directors
John Lee, Interim CEO and Executive Chairman
Greg Hall
Jim Rondeau
Masa Igata

Officers
John Lee, Interim CEO and Executive Chairman
Andrew Yau, Chief Financial Officer
Robert Van Drunen, Chief Operating Officer
Adrian Lupascu, Vice President, Exploration
Marion McGrath, Corporate Secretary
Rachna Sharma, Assistant Corporate Secretary

FLYING NICKEL
Mining Corp.

Financial Statements

For the Fifteen Months Ended
March 31, 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Flying Nickel Mining Corp.**

Opinion

We have audited the financial statements of Flying Nickel Mining Corp. (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the fifteen months ended March 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the fifteen months ended March 31, 2023 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in this report.

Impairment Assessment of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 7 to the financial statements, the carrying amount of the Company's E&E Assets was $20,126,319 as at March 31, 2023. As more fully described in Note 3(a) to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the E&E Assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity; and
- Obtaining supporting of title to ensure mineral rights underlying the E&E Assets are in good standing.

Fair value of the share based compensation
As disclosed in Note 10(c) to the financial statements, the Company has granted 7,010,000 stock options to its directors, officers, employees and consultants during the fifteen months ended March 31, 2023. The Company calculated the fair value of the stock options at the grant date using the Black-Scholes Option Pricing Model. As described in Note 3(a) to the financial statements, the Black-Scholes Option Pricing Mode involves a number of key inputs in order to calculate the fair value of an option. Significant estimates and judgements are involved in determining the reasonableness of these key inputs used, in particularly for the expected volatility input. Because the Company's stock trading history is less than one year, the expected volatility is estimated based on the historical volatility of the comparable companies.

Our audit procedures included, among others:

- Reviewing the directors' resolutions for approving to grant the stock options and the related stock options agreements;
- Assessing the reasonableness of the assumptions used by management in the Black-Scholes Option Pricing Model;
- Reviewing the reasonableness of the amortization schedule of the share based compensation (over the vesting period);
- Reforming the fair value calculation using the Black-Scholes Option Pricing Model; and
- Preparing the sensitivity analysis for the expected volatility assumption used in the Black-Scholes Option Pricing Model.

Other Information
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Prior Year Adjustment

As part of our audit of the financial statements for the fifteen months ended March 31, 2023, we also audited the adjustment described in Note 17 to the financial statements that was applied to amend the financial statements for the period from incorporation on December 21, 2020 to December 31, 2021. In our opinion, ' We were not engaged to audit, review, or apply any procedures to the financial statements of the Company for the period from incorporation on December 21, 2020 to December 31, 2021, other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the Company's financial statements for the period from incorporation on December 21, 2020 to December 31, 2021 taken as a whole.

Other Matter

The financial statements of the Company for the period from incorporation on December 21, 2020 to December 31, 2021 were audited by another auditor who expressed an unmodified opinion on these financial statements on April 29, 2022.

Mao & Ying LLP

Vancouver, Canada
July 29, 2023

Chartered Professional Accountants

(Expressed in Canadian Dollars)

	March 31, 2023 ($)	December 31, 2021 ($)
		Restated – note 17
Assets		
Current assets		
Cash	343,730	-
Restricted cash (note 8)	-	6,715,407
Term deposit	57,500	-
Goods and services tax receivables and other receivables	169,619	-
Prepaid expenses (note 11)	136,086	400,138
Deferred financing cost (note 17)	-	689,112
Due from related parties (note 11)	1,389,276	868,688
Total current assets	2,096,211	8,673,345
Non-current assets		
Exploration and evaluation asset (note 7)	20,126,319	-
Total assets	**22,222,530**	**8,673,345**
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	294,437	362,072
Premium on flow-through shares (note 9)	-	132,225
Liability for subscription receipts (notes 8, 17)	-	7,065,824
Total liabilities	294,437	7,560,121
Shareholders' Equity		
Share capital (note 10)	24,288,676	1,247,240
Reserves (note 10)	2,092,775	37,586
Warrants to be issued (note 10)	-	189,040
Deficit	(4,453,358)	(360,642)
Total equity	21,928,093	1,113,224
Total liabilities and equity	**22,222,530**	**8,673,345**

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 18)

Approved on behalf of the Board:

"John Lee"
John Lee, Director and Chairman

"Greg Hall"
Greg Hall, Director

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

(Expressed in Canadian Dollars)

	Fifteen Months Ended March 31, 2023 ($)	December 21, 2020 to December 31, 2021 ($)
General and Administrative Expenses		
Advertising and promotion	205,947	-
Consulting (note 11)	492,043	10,000
Directors' fee (note 11)	94,116	4,000
Insurance	47,026	-
Office and administration	87,480	134,460
Professional fees	624,342	54,570
Salaries and benefits (note 11)	654,076	122,817
Share based payments (notes 10, 11)	1,396,001	-
Stock exchange and shareholder services	258,977	42,041
Travel and accommodation	79,736	-
	(3,939,744)	(367,888)
Other Items		
Other income	31,743	-
Recovery of flow through liability (note 9)	132,225	7,246
Impairment of intangible asset (note 6)	(313,977)	
Foreign exchange loss	(2,963)	-
Net loss and comprehensive loss for the period	**(4,092,716)**	**(360,642)**
Basic and diluted loss per share	(0.07)	(67.86)
Basic and diluted weighted average number of shares outstanding (note 10(e))	60,368,511	5,314

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

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital ($)	Reserves[1] ($)	Warrants to be Issued ($)	Deficit ($)	Total ($)
Balance, December 21, 2020	-	-	-	-	-	-
Shares issued on incorporation	1	1	-	-	-	1
Flow through shares, net (note 8)	1,992,437	1,284,825	-	-	-	1,284,825
Broker warrants (note 8)	-	(37,586)	37,586	-	-	-
Broker warrants issuable (note 8)	-	-	-	189,040	-	189,040
Net loss and comprehensive loss	-	-	-	-	(360,642)	(360,642)
Balance, December 31, 2021	**1,992,438**	**1,247,240**	**37,586**	**189,040**	**(360,642)**	**1,113,224**
Share cancelled on completion of the Arrangement	(1)	(1)	-	-	-	(1)
Shares issued under the Arrangement (notes 4, 10)	50,000,000	16,423,987	-	-	-	16,423,987
Conversion of subscription receipts, net of share issue costs (notes 4, 10)	10,094,033	5,808,073	403,761	-	-	6,211,834
Broker warrants (note 10)	-	-	189,040	(189,040)	-	-
Private placement, net of share issue costs (note 10)	5,370,000	859,200	-	-	-	859,200
Finder's fees (note 10)	332,150	(49,823)	49,823	-	-	-
Share-based payments (note 10)	-	-	1,412,565	-	-	1,412,565
Net loss and comprehensive loss	-	-	-	-	(4,092,716)	(4,092,716)
Balance, March 31, 2023	**67,788,620**	**24,288,676**	**2,092,775**	**-**	**(4,453,358)**	**21,928,093**

[1]Stock options and warrants

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

(Expressed in Canadian Dollars)

	Fifteen Months Ended March 31, 2023 ($)	December 21, 2020 to December 31, 2021 ($)
Operating Activities		
Net loss for the period	(4,092,716)	(360,642)
Items not involving cash		
Recovery of flow-through liability	(132,225)	(7,246)
Share-based payments	1,396,001	-
Impairment of intangible asset (note 6)	313,977	-
Changes in non-cash working capital		
Other receivables	(169,619)	-
Prepaid expenses	264,052	(400,138)
Due from related parties	(520,588)	(868,687)
Accounts payable and accrued liabilities	(200,590)	362,072
Cash used in operating activities	(3,141,708)	(1,274,641)
Investing Activities		
Exploration and evaluation asset	(3,552,814)	-
Term deposit	(57,500)	-
Acquisition of intangible asset (note 6)	(313,977)	-
Cash used in investing activities	(3,924,291)	-
Financing Activities		
Proceeds from share issuance	859,200	-
Share issue costs	(164,878)	-
Net proceeds from subscription receipts (flow through)	-	1,424,296
Net proceeds from subscription receipts (non-flow through)	-	6,565,752
Cash from financing activities	694,322	7,990,048
(Decrease) Increase in cash	(6,371,677)	6,715,407
Cash, beginning of period	-	-
Cash released from (held in) escrow	6,715,407	(6,715,407)
Cash, end of period	**343,730**	**-**

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

1. Nature Of Operations and Going Concern

Flying Nickel Mining Corp. (the "Company" or "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.

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.

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 on the OTCQB.

These financial statements (the "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 March 31, 2023, the Company had a deficit of $4,453,358. 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. These 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. Basis Of Presentation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

On December 30, 2022, the Company changed its financial year end from December 31 to March 31.

These financial statements were approved by the Board of Directors and authorized for issue on July 29, 2023.

(b) Basis of Measurement

These financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

3. Significant Accounting Policies

(a) Use of judgments and estimates

In preparing these 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. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Actual results may differ from these estimates.

Share-based compensation

The Company uses the Black-Scholes Option Pricing Model to fair value options in order to calculate share based compensation expense. The Black-Scholes Option Pricing Model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price of the Company's shares at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based compensation expense.

Impairment assessment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. The Company considered the following facts and circumstances in determination if it should test exploration and evaluation assets for impairment:

(i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
(ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
(iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
(iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that deferred exploration expenditures are not expected to be recovered, an impairment is charged to profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

An impairment charge relating to an exploration and evaluation asset may be subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. General exploration costs in areas of interest in which the Company has not secured rights are expensed as incurred.

3. Significant Accounting Policies – continued

(a) Use of judgments and estimates - continued

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

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

As at March 31, 2023, the Company has assessed that there are no impairment indicators with respect to its exploration and evaluation assets.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less at the time of purchase and excludes restricted cash which in presented separately in these financial statements.

As at March 31, 2023 and December 31, 2021, the Company does not have any cash equivalents.

(c) Exploration and evaluation asset(s)

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.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any material 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.

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. Administration and overhead costs that are not directly attributable to a specific exploration area are charged to the statement of income.

3. Significant Accounting Policies – continued

(d) Unit offerings

The proceeds from 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.

(e) 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 statement of 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.

(f) 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 issuance is credited to other liabilities and included in profit or loss at the same time the qualifying expenditures are made.

(g) Loss/earnings per share

Basic loss/earnings 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.

3. Significant Accounting Policies – continued

(h) Income tax

Income tax expense comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Financial instruments

The Company follows IFRS 9 – Financial Instrument ("IFRS 9") to account for its financial instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

Under IFRS 9, financial assets are classified into one of three categories (i) amortized cost; (ii) fair value changes through other comprehensive income ("FVTOCI"); and (iii) fair value through profit or loss ("FVTPL"). Financial liabilities are into one of two categories: (i) amortized cost; and (ii) FVTPL.

Initial recognition

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Subsequent measurement of financial assets

Financial assets classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income. Financial assets classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss. Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

As at March 31, 2023 and December 31, 2021, the Company does not have any financial assets classified at FVTOCI.

3. Significant Accounting Policies – continued

(i) Financial instruments - continued

Impairment of financial assets carried at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized

Subsequent measurement of financial liabilities

Financial liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization using the effective interest method is included in finance costs. Financial liabilities classified as FVTPL are measured at fair value with gains and losses recognized in profit or loss.

As at March 31, 2023 and December 31, 2021, the Company does not have any financial liabilities classified at FVTPL.

Derecognition of financial assets and financial liabilities

A financial asset is derecognized when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a 'pass- through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. In this case, a new liability is recognized, and the difference in the respective carrying amounts is recognized in the statement of income.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

(Expressed in Canadian Dollars)

3. **Significant Accounting Policies** – continued

(j) Changes in Accounting Standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Arrangement and Transfer of Assets

On January 14, 2022, Silver Elephant Mining Corp. ("Silver Elephant") completed a strategic reorganization of its business through a statutory plan of arrangement (the "Silver Elephant Arrangement") under the Business Corporations Act (British Columbia) pursuant to which certain assets of Silver Elephant were spun-out to the Company.

Pursuant to the Silver Elephant Arrangement, the common shares of 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 Oracle Commodity Holding Corp (formerly Battery Metals Royalties Corp.) ("Oracle" or "Battery Metals").

As a result of the Silver Elephant Arrangement, the Minago Project along with the assumption of certain liabilities related to the underlying assets was spun out by Silver Elephant into Flying Nickel in exchange for the issuance of 50,000,000 of Flying Nickel shares. The Silver Elephant Arrangement does not meet the definition of a business combination under IFRS 3. The assets acquired and liabilities assumed through the Silver Elephant Arrangement were considered as a group reorganization and were accounted based on Silver Elephant's carrying amounts immediately prior to the spin out with a corresponding adjustment in the amount of $16,423,987 to share capital.

	($)
Assets	
Exploration and evaluation asset	16,458,495
Liabilities	
Trade and other payables	(34,508)
Net assets	**16,423,987**

5. Proposed Transaction

On October 6, 2022 Flying Nickel and Nevada Vanadium signed an arrangement agreement 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. 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 the date of these financial statements, the Transaction is still in progress.

(Expressed in Canadian Dollars)

6. Intangible Asset

During the fifteen months ended March 31, 2023, the Company acquired the domain nickel.com (the "Domain") for $313,977 and initially recognized as an intangible asset. The Domain was fully impaired as at March 31, 2023, and the Company recognized an impairment charge of $313,977 during the fifteen months ended, March 31, 2023.

7. Exploration and Evaluation Asset

Minago Project	**($)**
Balance, December 21, 2020 and December 31, 2021	-
Assets transferred under the Arrangement (note 4)	16,458,495
Licenses, taxes, fees and permits	373,740
Feasibility	1,183,974
Exploration	972,989
Drilling	610,825
Personnel, camp and general	509,732
Shares based payments	16,564
Balance, March 31, 2023	**20,126,319**

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

On January 14, 2022, pursuant to the Silver Elephant Arrangement (note 4), 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.

Minago Net Smelter Royalty

On January 14, 2022, under the terms of the Silver Elephant Arrangement and pursuant to the royalty agreement between the Company and Silver Elephant 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 US$15 per pound, a royalty equal to two per cent (2%) of returns in respect of all mineral products produced from certain mineral claims and leases in the Minago Project after the commencement of commercial production. Each royalty payment will be provisional and subject to adjustment in accordance with the Minago Royalty Agreement. Oracle is the current holder of this royalty.

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$13,227.74 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.

(Expressed in Canadian Dollars)

8. Subscription Receipts

On November 29, 2021, pursuant to the Silver Elephant Arrangement (note 4), the Company issued (also see note 10):

(i) 10,094,033 subscription receipts of the Company (each, a “NFT Subscription Receipt”) at a price of $0.70 per NFT Subscription Receipt for gross proceeds of $7,065,824 from the sale of NFT Subscription Receipts. Each NFT Subscription Receipt is automatically converted into one unit upon satisfaction of the NFT escrow release conditions with no additional consideration required. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles its holder to acquire one common share of the Company at an exercise price of $1.00 per share until November 29, 2023 (note 10(d)). The Company incurred broker commissions and out-of-pocket costs of $664,950 and issued 597,069 broker warrants with a fair value of $189,040 (see note 10(d)) in connection with the NFT Subscription Receipt. Each broker warrant entitles its holder to acquire one common share of the Company at an exercise price of $0.70 per common share until November 29, 2023; and

(ii) 1,992,437 flow-through 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. The Company incurred broker commissions and out-of-pocket costs of $109,880 and issued 119,546 broker warrants with a fair value of $37,586 (see note 10(d)) in connection with FT Subscription Receipts. Each broker warrant entitles its holder to acquire one common share of the Company at an exercise price of $0.70 per common share until November 29, 2023.

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.

Gross proceeds of $7,065,824 from the issuance of 10,094,033 NFT Subscription Receipts of the Company remain subject to escrow as of December 31, 2021 to be 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 Silver Elephant Arrangement.

The gross proceeds of the issuance of NFT Subscription Receipts net of the deferred transaction costs paid in the amount of $6,715,407 remained subject to escrow as at December 31, 2021.

On January 14, 2022 the restricted cash of $6,715,407 was released to the Company upon satisfaction of all escrow release conditions, including receipt of final approval of the Supreme Court of British Columbia, in connection with the Silver Elephant Arrangement.

9. Premium On Flow-Through Shares

During the period from incorporation on December 21, 2020 to December 31, 2021, the Company issued 1,992,437 flow-through shares for gross proceeds of $1,534,176 (notes 8 and 10) and recognized a premium of flow-through shares of $139,471.

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

	($)
Balance, December 21, 2020	-
Liability incurred on flow-through shares issued	139,471
Renouncement of qualifying expenditures incurred	(7,246)
Balance, December 31, 2021	132,225
Renouncement of qualifying expenditures incurred	(132,225)
Balance, March 31, 2023	**-**

10. 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 March 31, 2023, the Company had 67,788,620 (December 31, 2021 – 1,992,438) common shares issued and outstanding.

(b) Issued Share Capital (also see note 18)

During the fifteen months ended March 31, 2023

On January 14, 2022, pursuant to the Silver Elephant Arrangement, the Company issued 50,000,000 common shares in exchange of the assets acquired and liabilities related to the Minago Project which resulted in increase of share capital of $16,423,987 (note 4).

On January 14, 2022 and February 28, 2022, a total of 5,844,033 and 4,250,000 NFT Subscription Receipts (note 8) were converted into 5,844,033 and 4,250,000 units (the "Units") (note 8). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles its holder to acquire one common share of the Company at an exercise price of $1.00 per share until November 29, 2023 (see note 10(d)).

The Company's stock did not trade until March 4, 2022. The Company estimated the market price of the common shares at the time of issuance is $0.66 per share, estimated by observing the financing completed by the comparable companies. The gross proceeds of the NFT Subscription Receipts was first allocated to common shares in the amount of $6,662,062 with the remaining of $403,761 was allocated to the warrants by applying the residual approach.

In connection with the NFT Subscription Receipts, the Company incurred share issuance costs of broker commissions and out-of-pocket costs of $664,950, of which $164,880 was paid during the fifteen months ended March 31, 2023. The Company also issued 597,069 broker warrants. Each broker warrant entitles its holder to acquire one common share of the Company at an exercise price of $0.70 per common share until November 29, 2023 (see note 10(d)).

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

On February 15, 2023, the Company completed a private placement by issuing an aggregate of 5,370,000 units at a price of $0.16 per unit for aggregate gross proceeds of $859,200. Each unit consists of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.20 per share for 36 months from closing. The gross proceeds of the private placement was allocated to common shares and $nil was allocated to the warrants by applying the residual approach. Finder's unit contains the same terms of the unit issued in the private placement (note 10(d)).

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.

On December 30, 2021, a total of 1,992,437 FT Subscription Receipts (note 8) were converted into 1,992,437 flow-through common shares of the Company. The gross proceeds of the flow-through common shares were allocated to share capital and the premium on flow-through shares based on the estimated value of the common shares on the issuance date. As a result, an amount of $139,471 was allocated to the premium on flow-through shares (note 9). 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 were issued (see note 10(d)). Each broker warrant entitles its holder to acquire one common share of the Company at an exercise price of $0.70 per common share until November 29, 2023.

(Expressed in Canadian Dollars)

10. Share Capital – *continued*

(c) 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 the grant with a maximum term of 10 years.

During the fifteen months ended March 31, 2023, the Company granted stock options to certain directors, officers and employees to acquire a total of 7,010,000 common shares in the capital of the Company at an exercise price ranging from $0.14 to $0.74 per share. These options vest at 12.5% per quarter for the first two years following the grant date and have a five-year term from the date of grant.

The continuity of the Company's share options is as follows:

	Number of Options	Weighted average exercise price ($)
Balance, December 21, 2020 (incorporation) and December 31, 2021	-	-
Granted	7,010,000	0.58
Forfeited	(1,650,000)	0.66
Balance, March 31, 2023	**5,360,000**	**0.55**

The following table summarizes the stock options outstanding as at March 31, 2023.

	Options Outstanding		Options Exercisable	
Exercise Price ($)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)
0.135	1,400,000	4.76	-	-
*0.70	3,810,000	3.93	1,905,000	3.93
*0.74	150,000	3.97	75,000	3.97
	5,360,000	**4.15**	**1,980,000**	**3.93**

* On May 1, 2023, the Company amended the exercise price of 3,810,000 stock options from $0.70 to $0.20 and 150,000 stock options from $0.74 to $0.20 (note 18).

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.

During the fifteen months ended March 31, 2023, the Company recorded share-based payments expense of $1,412,565 of which $16,564 was capitalized as exploration cost and the reminder of $1,396,001 was expensed as general and administrative expenses (December 21, 2020 to December 31, 2021 - $nil, $nil and $nil).

(Expressed in Canadian Dollars)

10. Share Capital – *continued*

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model with the assumptions presented in the table below. Expected volatilities are based on historical volatility of the comparable companies as the Company doesn't have enough trading history. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
March 4, 2022	5,160,000	137%	1.45%	5.00	-	0.34	1,735,482
March 18, 2022	150,000	138%	1.45%	5.00	-	0.57	85,249
May 3, 2022	300,000	138%	2.75%	5.00	-	0.47	142,194
January 3, 2023	1,400,000	141%	3.23%	5.00	-	0.13	175,617
	7,010,000						**2,138,542**

(d) Warrants

The continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, December 21, 2020 (incorporation)	-	-
Issued	119,546	0.70
Balance, December 31, 2021	**119,546**	**0.70**
Issued – broker warrants	929,219	0.52
Issued – financing warrants	10,417,016	0.59
Balance, March 31, 2023	**11,465,781**	**0.58**

The fair value of each broker warrant is estimated on the date of grant using the Black-Scholes Option Pricing Model with the assumptions presented in the table below. Expected volatilities are on historical volatility of the comparable companies as the Company doesn't have enough trading history. The expected term of warrants issued represents the period of time which those warrants are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

Issue Date	Number of Warrants	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value per Warrant ($)	Total Fair Value ($)
November 29, 2021	119,546	83%	0.96%	2.00	-	0.31	37,856
January 14, 2022	597,069	83%	0.96%	1.87	-	0.32	189,040
February 15, 2023	332,150	99%	4.24%	3.00	-	0.15	49,823

(Expressed in Canadian Dollars)

10. Share Capital – *continued*

As of March 31, 2023, the following warrants were outstanding:

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price ($)
November 29, 2023	0.67	716,615	0.70
November 29, 2023	0.67	5,047,016	*1.00
February 15, 2026	2.88	5,702,150	0.20
	1.77	**11,465,781**	**0.58**

* On April 21, 2023, the Company amended the exercise price of 5,047,017 warrants from $1.00 to $0.20 per share with an accelerated expiry date when certain conditions are met (note 18).

(e) Diluted Loss per Share

As at March 31, 2023, there were 5,360,000 (December 31, 2021 – nil) share options and 11,465,781 (December 31, 2021 – 119,546) warrants that were potentially dilutive but not included in the diluted loss per share calculation as the effect would be anti-dilutive.

11. Related Party Transactions and Balances

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below.

The Company has entered into a Mutual Management and Technical Services Agreement (the "MMTSA") with Silver Elephant and other related entities commencing December 1, 2021 and subsequently amended April 1, 2023, pursuant to which the companies will provide each other with general, technical and administrative services, as reasonably requested. During the period from incorporation on December 21,2020 to December 31, 2021, the Company prepaid $500,000 pursuant to the MMTSA and incurred $99,862 in related fees.

The Company has entered a consulting agreement with the Company's executive chairman effective on December 1, 2021, pursuant to which the Company agreed to pay a minimum service fee of $10,000 per month. The Company also agreed to issue up to 450,000 common shares (the "Bonus Shares") of the Company to this individual upon achieving certain corporate milestones defined in the agreement. No Bonus shares were issued or issuable for the fifteen months ended March 31, 2023 and for the period from incorporation on December 21, 2020 to December 31, 2021 because none of the milestones have been achieved.

The Company had related party transactions with key management personnel 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 the chief executive officer ("CEO"), chief financial officer ("CFO"), chief operating officer ("COO"), chief legal officer ("CLO"), executive and non-executive directors.

(Expressed in Canadian Dollars)

11. Related Party Transactions and Balances - continued

	Fifteen Months Ended March 31, 2023 ($)	December 21, 2020 to December 31, 2021 ($)
MMTSA fees charged by Silver Elephant, a company with certain directors and officers in common	334,805	99,862
MMTSA recoveries from Silver Elephant	(277,215)	-
MMTSA fees charged by Nevada Vanadium, a company under common control	102,474	-
MMTSA recoveries from Nevada Vanadium	(232,336)	-
MMTSA recoveries from Oracle, a company under common control	(127,147)	-
Management fees paid to John Lee, Chairman and Interim CEO of the Company	162,000	10,000
Salaries and benefits paid to key management of the Company	386,158	109,438
Directors' fees	94,116	4,000
Share-based payments to certain key management of the Company	629,187	-
	1,072,042	**223,300**

During the fifteen months ended March 31, 2023, the Company paid $116,375 (2021 - $nil) to key management personnel for termination fees. The Company did not incur any post-employment benefit or other long term benefits to key management personnel for the fifteen months ended March 31, 2023 and for the period from incorporation on December 21, 2020 to December 31, 2021.

The Company had balances due from (to) related parties as follows:

	March 31, 2023 ($)	December 31, 2021 ($)
Receivable from Silver Elephant	980,056	868,688
Receivable from Nevada Vanadium, a company under common control	239,689	-
Receivable from Oracle, a company with certain directors and officers in common	169,531	-
Prepaid expenses to Silver Elephant	-	400,138
Management fees payable to John Lee	-	(10,000)
Director's fees payable	(1,800)	(4,000)
	1,387,476	**1,254,826**

12. Segmented Information

The Company has one reportable business segment, being mineral exploration and development. All of the Company's assets are located in Canada.

(Expressed in Canadian Dollars)

13. Income Taxes

The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities, and those adjustments may be material to the Company's financial position and results of operations. A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Fifteen Months Ended March 31, 2023 ($)	December 21, 2020 to December 31, 2021 ($)
Loss for the period	(4,092,716)	(360,642)
Statutory tax rate	27%	27%
Expected income tax (recovery)	(1,105,000)	(97,000)
Permanent differences	341,000	-
Other temporary differences	397,000	22,000
Share issue cost	(180,000)	(165,000)
Others	151,0000	-
Change in unrecognized deductible temporary differences	396,000	240,000
Total income tax expense (recovery)	**-**	**-**

Deferred tax assets (liabilities) at March 31, 2023 and December 31, 2021 are as follows:

	March 31, 2023 ($)	December 31, 2021 ($)
Exploration and evaluation assets	(717,000)	(22,000)
Non-capital loss available for future periods	717,000	22,000
Deferred tax assets (liabilities)	**-**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Fifteen Months Ended March 31, 2023 ($)	Expiry Date Range	December 21, 2020 to December 31, 2021 ($)	Expiry Date Range
Temporary Differences				
Share issuance costs	559,000	2043 to 2045	610,000	2042 to 2045
Other temporary differences	314,000	n/a	-	-
Non-capital loss available for future periods	1,412,000	2042 to 2045	403,000	2042
Unrecognized deductible temporary differences	2,285,000		1,013,000	
Canada	4,067,000	2042 to 2043	403,000	2042
Total non-capital losses	**4,067,000**		**403,000**	

14. 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 exploration and evaluation assets. The Board of Directors does not establish quantitative returns on capital criteria for management.

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 management's approach to capital management during the fifteen months ended March 31, 2023. The Company is not subject to externally imposed capital requirements.

15. Financial Instruments

(a) Fair value

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 priority to Level 3 inputs.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. The fair value of cash, restricted cash and term deposit is measured at Level 1. At March 31, 2023, there were no financial assets measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

The fair value of the Company's financial instruments including cash, restricted cash, term deposit, other receivables, due from related parties, liability for subscription receipts, accounts payable and accrued liabilities approximates their carrying value due to the immediate or short-term maturity of these financial instruments. The Company does not offset financial assets with financial liabilities. There were no transfers between Level 1, 2 and 3 for the fifteen months ended March 31, 2023 for the period from incorporation on December 21, 2020 to December 31, 2021.

15. Financial Instruments - continued

(b) Categories of financial instruments

Financial Instrument	Measurement Method	Associated Risks	March 31, 2023 ($)	December 31, 2021 ($)
Cash	FVTPL (Level 1)	Credit	343,730	-
Restricted cash	FVTPL (Level 1)	Credit	-	6,715,407
Term deposit	FVTPL (Level 1)	Credit	57,500	-
Due from related parties	Amortized cost	Credit	1,389,276	868,688
Other receivables (excluding GST/HST receivables)	Amortized cost	Credit	1,067	-
Accounts payable and accrue liabilities	Amortized cost	-	(294,437)	(362,072)
Liability for subscription receipt	Amortized cost	-	-	(7,065,824)
			1,497,136	**156,199**

16. Financial Risks

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at March 31, 2023 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(c) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its financial obligations as they fall due. As at March 31, 2023 the Company had a cash balance including term deposit, of $401,230 (December 31, 2021- restricted cash of $6,715,407) and had accounts payable and accrued liabilities of $294,437 (December 31, 2021- $362,072), which have contractual maturities of 90 days or less. Liquidity risk is assessed as high and the Company manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements.

(d) 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 March 31, 2023 and December 31, 2021, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

(e) Market Risk

The market risks to which the Company may be exposed to are interest rate risk and currency 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. The Company is not subject to material interest rate risk for the fifteen months ended March 31, 2023 and for the period from incorporation o**n** December 21, 2020 to December 31, 2021.

(ii) Currency Risk

The Company is exposed to foreign currency risk to the extent that monetary liabilities held by the Company are not denominated in Canadian dollars. The Company's operations is primary in Canada and the Company is not subject to material currency risk.

(Expressed in Canadian Dollars)

17. Restatement and Reclassification of Prior Year Presentation

The Company has identified an error in relation to prior year financial statements presentation of NFT Subscription Receipts (Note 8) resulting an understatement of total assets of $689,112 and understatement of total liabilities for the same amount as below. There is no impact to the Company's statements of equity, operations and cash flows.

	December 31, 2021 Previously presented ($)	Restatement ($)	December 31, 2021 Restate ($)
Deferred financing cost	-	689,112	689,112
Total assets	7,984,233	689,112	8,673,345
Liability for subscription receipts	6,376,712	689,112	7,065,824
Total liabilities	6,871,009	689,112	7,560,121

18. Subsequent Events

(a) On April 17, 2023, the Company granted stock options to certain employees to acquire a total of 205,000 common shares in the capital of the Company at an exercise price of $0.16 per share. These options are exercisable for a five-year term expiring April 17, 2028. These options will vest at 12.5% per quarter for the first two years following the grant date.

(b) On April 17, 2023, the Company closed a non-brokered private placement and issued 1,250,000 units for gross proceeds of $200,000. Each unit is priced at $0.16 and consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.20 per share for 36 months from closing.

(c) On April 21, 2023, the Company repriced an aggregate of 5,047,016 outstanding common share purchase warrants of the Company issued pursuant to a warrant indenture dated November 29, 2021 between the Company and Computershare Trust Company of Canada, as warrant agent (the "Warrant Indenture") (the "Warrant Repricing").

In connection with the Warrant Repricing, the Company adjusted the exercise price of the warrants from $1.00 to $0.20 and amended the expiry date of the warrants to add an acceleration clause such that in the event the closing price of the Company's common shares on the TSXV exceeds $0.25 for any ten consecutive trading days following the Warrant Repricing, the expiry date of the warrants shall be accelerated from November 29, 2023 to a date that is 30 days following the seventh calendar day following the ten consecutive trading day period. All other terms of the warrants remain unchanged.

(d) On April 24, 2023, the Company granted stock options to a certain officer to acquire a total of 100,000 common shares in the capital of the Company at an exercise price of $0.165 per share. These options are exercisable for a five-year term expiring April 24, 2028. These options will vest at 12.5% per quarter for the first two years following the grant date.

(e) On May 1, the Company repriced the exercise price of 3,810,000 Options from $0.70 to $0.20 and 150,000 Options from $0.74 to $0.20.

(f) On May 12, 2023 the Company closed a non-brokered private placement of 200,000 units for gross proceeds of $32,000. Each unit is priced at $0.16 and consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.20 per share for 3 years. No finder's fees were paid in connection with this private placement.