FLYING NICKEL
Mining Corp.

Management's Discussion and Analysis

For the Three Months Ended
June 30, 2023

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

Dated August 28, 2023

Table of Contents

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"), and the accompanying unaudited condensed interim financial statements for the interim period ended June 30, 2023, both of which were 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. "This Quarter" or "Current Quarter" means the three-month period ended June 30, 2023, and the "Prior Year Quarter" means the three month period ended June 30, 2022. The information contained in this MD&A is current to August 28, 2023.

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

The information provided herein supplements but does not form part of the financial statements. Financial information is expressed in Canadian dollars, unless stated otherwise. All references to "$" or "dollars" in this MD&A refer to Canadian dollars. References to "US$" or "USD" in this MD&A refer to United States dollars. Readers are cautioned that this MD&A contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note contained herein regarding such forward-looking statements.

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 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 periods presented:

	Three Months Ended June 30, 2023 ($)	Three Months Ended, June 30, 2022 ($)	Change ($)
Net loss	(714,481)	(629,230)	(85,251)
Cash used in operating activities	(322,131)	(507,383)	185,252
Cash at end of period	131,405	3,632,773	(3,501,368)
Loss per share – basic and diluted	(0.01)	(0.01)	-

Corporate Updates

- 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. Mr. Lupascu ceased to serve as the Company's VP Exploration effective August 2, 2023.

- 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.

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.

(Expressed in Canadian dollars, except where indicated)

	($)
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

On April 19, 2023, May 4, 2023, May 29, 2023 and July 12, 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.

(Expressed in Canadian dollars, except where indicated)

Minago Project	**($)**
Balance, January 1, 2022	-
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	526,296
Balance, March 31, 2023	**20,126,319**
Licenses, taxes, fees and permits	56,769
Exploration	91,460
Personnel, camp and general	11,617
Balance, June 30, 2023	**20,286,165**

Restatement

The Company identified an accounting error in relation to its prior year financial statements due to $313,977 being reclassified from Advertising and Promotion to Intangible Assets, which resulted in an incorrect recovery for the three months ending June 30, 2022 and expense for the three months ending September 30, 2022. The corrections are as follows:

	Original June 30, 2022 ($)	**Restatement ($)**	**Restated June 30, 2022 ($)**
Advertising and promotion	(293,688)	313,977	20,289

	Original September 30, 2022 ($)	**Restatement ($)**	**Restated September 30, 2022 ($)**
Advertising and promotion	458,348	(313,977)	144,371

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, during the quarter ended March 31, 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.

(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 ($)
June 30, 2023	Q1 2024	(714,481)	(0.01)	(0.01)
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 (restated)	Q3 2022	(718,132)	(0.01)	(0.01)
June 30, 2022 (restated)	Q2 2022	(629,230)	(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 ($)	Total Non-Current Financial Liabilities ($)
June 30, 2023	131,405	-	22,124,988	-
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.

<u>3 Months Ended June 30, 2023 Compared with 3 Months Ended June 30, 2022</u>

Net loss this quarter was $714,481 compared to $629,230 during the three months ended June 30, 2022. The higher net loss this quarter is primarily attributable to a general increase in general and administrative expenses. Of note are the following items:

- Salaries and benefits increased from $17,880 to $210,700 as the Company increased its staffing, which was partially offset with cost recoveries of $165,216 through the MMTSA (see *Related Party Transaction* section).

- Share-based payments of $342,522 this quarter, compared to $387,664 during the Prior Year Quarter, mainly in connection with the vesting of share purchase options granted to certain directors, officers, employees and consultants of the Company. 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, which resulted in an incremental fair value increase of $154,890 and was immediately recognized in the statement of loss during the current quarter.

(Expressed in Canadian dollars, except where indicated)

Variations Over the Quarters

Q1 2022 incurred a higher net loss of $1,183,252 which includes $313,977 recorded in the statement of loss in connection with the purchase of the domain www.nickel.com.

Q4 2021 resulted in a lower net loss as the Company's activities were limited prior to the Silver Elephant Arrangement.

Net loss of $714,481 this quarter is generally consistent with net loss of $671,712, $890,390, $718,132, and $629,230 for each of Q5 2023, Q4 2022, Q3 2022 and Q2 2022.

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 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. Proceeds of the placement are expected to be used for exploration, working capital and general corporate purposes.

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. Proceeds of the placement are expected to be used for exploration, working capital and general corporate purposes.

On August 14, 2023, the Company closed a non-brokered private placement offering of 6,800,000 common shares of the Company raising gross proceeds of $680,000. The offering was priced at $0.10 per share. Norway House Cree Nation ("NHCN") was the sole investor. The Company is using proceeds from the private placement for exploration drilling, completion of the Minago project feasibility study and for working capital purposes.

On August 28, 2023, the Company announced a proposed non-brokered private placement offering of 7,603,862 common shares of the Company for gross proceeds of $600,705. Proceeds of the offering will be used for exploration and general working capital purposes. It is intended that NHCN will be the sole subscriber. As at the date of this MD&A, this private placement has not yet closed and remains subject to various conditions and approvals, including approval of the TSX Venture Exchange.

As at June 30, 2023, the Company had working capital of $1,509,994 compared to $1,801,774 at March 31, 2023.

Cash flow information:

	Three Months Ended	
	June 30, 2023 ($)	**June 30, 2022 ($)**
Cash used in operating activities	(322,131)	(507,383)
Cash used in investing activities	(122,194)	(897,551)
Cash from financing activities	232,000	-
Cash, end of the period	**131,405**	**3,632,773**

Operating activities**:** During the three months ended June 30, 2023, the Company used $322,131 in operating activities, primarily in salaries and benefits, professional fees and consulting fees. During the Prior Year Quarter, the Company used $507,383 in operating activities. Cash used in operating activities during the Prior Year Quarter primarily relates to professional fees and the effect from changes in non-cash working capital.

Investing activities: During the three months ended June 30, 2023, the Company invested $122,194 on the Minago Project compared to $897,551 during the Prior Year Quarter. The lower amount in the current quarter represents the Company's preservation of working capital until additional financings are completed.

Financing activities: During the three months ended June 30, 2023, the Company received proceeds of $232,000 from equity offerings. There were no financing activities during the Prior Year Quarter.

As at June 30, 2023 the Company had cash of $131,405, and current liabilities of $328,829. 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.

Related Party Transactions

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 entered into a Mutual Management and Technical Services Agreement (the "MMTSA") with Silver Elephant commencing December 1, 2021, pursuant to which the companies would provide each other with general, technical and administrative services, as reasonably requested on a cost reimbursement basis. This MMTSA was terminated effective March 31, 2023, and replaced with an updated fixed fee MMTSA effective April 1, 2023, and includes Silver Elephant, Nevada Vanadium and Oracle. The fixed fee is adjusted periodically to reflect the relative allocation of costs to each company.

The Company has entered into a consulting agreement with the Company's executive chairman effective 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 since December 1, 2021 as none of the milestones have been achieved yet.

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"), executive and non-executive directors.

(Expressed in Canadian dollars, except where indicated)

	Three Months Ended	
	June 30, 2023 ($)	**June 30, 2022 ($)**
MMTSA fees charged by Silver Elephant, a company with certain directors and officers in common	32,485	57,380
MMTSA recoveries from Silver Elephant	(119,872)	(20,827)
MMTSA fees charged by Nevada Vanadium, a company under common control	27,059	34,453
MMTSA recoveries from Nevada Vanadium	(74,920)	-
MMTSA recoveries from Oracle, a company under common control	(29,968)	(38,295)
Management fees paid to John Lee, Chairman and Interim CEO of the Company	30,000	30,000
Salaries and benefits paid to key management of the Company	59,264	109,009
Directors' fees	13,645	23,800
Share-based payments to certain key management of the Company	278,172	170,269
	215,865	**365,789**

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

	June 30, 2023 ($)	**March 31, 2023 ($)**
Receivable from Silver Elephant	1,061,896	980,056
Receivable from Nevada Vanadium, a company under common control	274,924	239,689
Receivable from Oracle, a company with certain directors and officers in common	199,854	169,531
Management fees payable to John Lee	(10,000)	-
Director's fees payable	(15,445)	(1,800)
	1,511,229	**1,387,476**

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 this MD&A, 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 Policies and Standards

Changes in Accounting Policies

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted and are applied prospectively. This amendment did not have a material impact on the Company's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. This amendment did not have a material impact on the Company's financial statements.

Future Changes in Accounting Standards

Classification of liabilities as current or non-current (amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping entities determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendments are applied on or after the first annual reporting period beginning on or after January 1, 2024, with early application permitted. This amendment is not expected to have a material impact on the Company's financial statements.

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 management's approach to capital management during the three months ended June 30, 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 June 30, 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, 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 three months ended June 30, 2023 and three months ended June 30, 2022.

Financial Instrument	Measurement Method	Associated Risks	June 30, 2023 ($)	March 31, 2023 ($)
Cash	FVTPL[1] (Level 1)	Credit	131,405	343,730
Term deposit	FVTPL[1] (Level 1)	Credit	57,500	57,500
Due from related parties	Amortized cost	Credit	1,536,674	1,389,276
Receivables (excluding GST/HST receivables)	Amortized cost	Credit	2,132	1,067
Accounts payable and accrue liabilities	Amortized cost	-	(328,829)	(294,437)
			1,398,882	**1,497,136**

[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 June 30, 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 June 30, 2023 the Company had a cash balance including term deposit, of $188,905 (March 31, 2023 – 401,230) and had accounts payable and accrued liabilities of $328,829 (March 31, 2023- $294,437), 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 June 30, 2023 and March 31, 2023, 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 three months ended June 30, 2023 and three months ended June 30, 2022.

(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 dates presented:

	As at date of this MD&A	**June 30, 2023**
Common shares issued and outstanding	76,038,620	69,238,620
Share purchase options outstanding	5,421,250	5,535,000
Share purchase warrants	12,915,781	12,915,781

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 unaudited condensed interim financial statements for the three months ended June 30, 2023, which is available on the Company's website at www.flynickel.com and 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.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedar.com.

General Corporate Information:

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Tel: +1 (604) 283-2230

Transfer Agent and Registrar
Computershare Investor Services Inc.
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
Marion McGrath, Corporate Secretary

FLYING NICKEL
Mining Corp.

Condensed Interim Financial Statements
(Unaudited)

For the Three Months Ended
June 30, 2023

(Expressed in Canadian Dollars)

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of The Canadian Securities Administrators we hereby give notice that our condensed interim financial statements for the three months ended June 30, 2023, which follow this notice, have not been reviewed by an auditor.

(Expressed in Canadian Dollars)

	June 30, 2023 ($)	March 31, 2023 ($)
Assets		
Current assets		
Cash	131,405	343,730
Term deposit	57,500	57,500
Receivables	16,658	169,619
Prepaid expenses	96,586	136,086
Due from related parties (note 8)	1,536,674	1,389,276
Total current assets	1,838,823	2,096,211
Non-current assets		
Exploration and evaluation asset (note 6)	20,286,165	20,126,319
Total assets	**22,124,988**	**22,222,530**
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	328,829	294,437
Total liabilities	328,829	294,437
Shareholders' Equity		
Share capital (note 7)	24,520,676	24,288,676
Reserves (note 7)	2,443,322	2,092,775
Deficit	(5,167,839)	(4,453,358)
Total equity	21,796,159	21,928,093
Total liabilities and equity	**22,124,988**	**22,222,530**

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 14)

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)

	Three Months Ended	
	June 30, 2023 ($)	**June 30, 2022 ($)** (Restated – Note 13)
General and Administrative Expenses		
Advertising and promotion	11,349	20,289
Consulting (note 8)	92,628	23,530
Directors' fee (note 8)	13,645	23,800
Insurance	10,676	10,625
Office and administration	23,299	12,567
Professional fees	116,346	144,699
Salaries and benefits (note 8)	210,700	17,880
Share based payments (notes 7, 8)	342,522	387,664
Stock exchange and shareholder services	26,290	20,267
Travel and accommodation	31,636	-
Cost recoveries (note 8)	(165,216)	-
	(713,875)	(661,321)
Other Items		
Foreign exchange loss	(606)	-
Recovery of flow through liability (note 7(b))	-	32,091
Net loss and comprehensive loss for the period	**(714,481)**	**(629,230)**
Basic and diluted loss per share	(0.01)	(0.01)
Basic and diluted weighted average number of shares outstanding (note 7(e))	62,142,833	62,086,470

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

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital ($)	Reserves[1] ($)	Deficit ($)	Total ($)
Balance, April 1, 2022	62,086,470	42,459,073	347,569	(1,543,894)	41,262,748
Share-based payments	-	-	392,491		392,491
Net loss and comprehensive loss (restated – note 13)				(629,230)	(629,230)
Balance, June 30, 2022	**62,086,470**	**42,459,073**	**740,060**	**(2,173,124)**	**41,026,009**
Balance, April 1, 2023	67,788,620	24,288,676	2,092,775	(4,453,358)	21,928,093
Private placement, net of share issue costs (note 7)	1,450,000	232,000	-	-	232,000
Share-based payments (note 7)	-	-	350,547	-	350,547
Net loss and comprehensive loss	-	-	-	(714,481)	(714,481)
Balance, June 30, 2023	**69,238,620**	**24,520,676**	**2,443,322**	**(5,167,839)**	**21,796,159**

[1]Stock options and warrants

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

(Expressed in Canadian Dollars)

	Three Months Ended	
	June 30, 2023 ($)	**June 30, 2022 ($)**
Operating Activities		
Net loss for the period	(714,481)	(629,230)
Items not involving cash		
Recovery of flow-through liability	-	(32,091)
Share-based payments	342,522	387,664
Changes in non-cash working capital		
Receivables	152,961	(43,362)
Prepaid expenses	39,500	135,313
Due from related parties	(147,398)	(320,248)
Accounts payable and accrued liabilities	4,765	(5,429)
Cash used in operating activities	(322,131)	(507,383)
Investing Activities		
Exploration and evaluation asset	(122,194)	(897,551)
Cash used in investing activities	(122,194)	(897,551)
Financing Activities		
Proceeds from share issuance	232,000	-
Cash from financing activities	232,000	-
Decrease in cash	(212,325)	(1,404,934)
Cash, beginning of period	343,730	5,037,707
Cash, end of period	**131,405**	**3,632,773**

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 June 30, 2023, the Company had a deficit of $5,167,839 (March 31, 2023 - $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 condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the fifteen months ending March 31, 2023. Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on August 28, 2023.

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

(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.

2. Basis Of Presentation - *continued*

(c) 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.

2. Basis Of Presentation - *continued*

(c) 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 June 30, 2023, the Company has assessed that there are no impairment indicators with respect to its exploration and evaluation assets.

3. Material Accounting Policies and Standards

(a) Changes in Accounting Policies

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted and are applied prospectively. This amendment did not have a material impact on the Company's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. This amendment did not have a material impact on the Company's financial statements.

(b) Future Changes in Accounting Standards

Classification of liabilities as current or non-current (amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping entities determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(Expressed in Canadian Dollars)

3. Material Accounting Policies and Standards - *continued*

The amendments are applied on or after the first annual reporting period beginning on or after January 1, 2024, with early application permitted. This amendment is not expected to have a material impact on the Company's financial statements.

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. Exploration and Evaluation Asset

Minago Project	**($)**
Balance, January 1, 2022	-
Assets transferred under the Arrangement (note 5)	16,458,495
Licenses, taxes, fees and permits	373,740
Feasibility	1,183,974
Exploration	972,989
Drilling	610,825
Personnel, camp and general	526,296
Balance, March 31, 2023	**20,126,319**
Licenses, taxes, fees and permits	56,769
Exploration	91,460
Personnel, camp and general	11,617
Balance, June 30, 2023	**20,286,165**

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 5), 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.

7. 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 69,238,620 (March 31, 2023 – 67,788,620) common shares issued and outstanding.

(b) Issued Share Capital

<u>During the three months ended June 30, 2023</u>

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. Proceeds from private placements that include 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 (the "Residual Method"). Based on the Residual Method, the fair value of the warrants is $nil.

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. Based on the Residual Method, the fair value of the warrants is $nil.

<u>During the fifteen months ended March 31, 2023</u>

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 5).

On January 14, 2022 and February 28, 2022, a total of 5,844,033 and 4,250,000 non-flow through subscription receipts ("NFT Subscription Receipts") were converted into 5,844,033 and 4,250,000 units. 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.

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 $403,761 allocated to the warrants.

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.

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

(Expressed in Canadian Dollars)

7. Share Capital – *continued*

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 Method. Finder's unit contains the same terms of the unit issued in the private placement (note 7(d)).

(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 three months ended June 30, 2023, the Company granted stock options to certain directors, officers and employees to acquire a total of 355,000 (2022 – 300,000) common shares in the capital of the Company at an exercise price ranging from $0.11 to $0.165 (2022 - $0.46) 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, January 1, 2022	-	-
Granted	7,010,000	0.58
Forfeited	(1,650,000)	0.66
Balance, March 31, 2023	**5,360,000**	**0.55**
Granted	355,000	0.15
Forfeited	(180,000)	0.14
Balance, June 30, 2023	**5,535,000**	**0.18***

** 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.*

(Expressed in Canadian Dollars)

7. Share Capital – *continued*

The following table summarizes the stock options outstanding as at June 30, 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)
0.11	50,000	4.96	2,083	4.96
0.16	205,000	4.80	25,625	4.80
0.165	100,000	4.82	8,333	4.82
0.135	1,220,000	4.52	305,000	4.52
0.20*	3,810,000	3.68	2,540,000	3.68
0.20*	150,000	3.72	100,000	3.72
	5,535,000	**3.94**	**2,981,041**	**3.78**

** 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.*

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 three months ended June 30, 2023, the Company recorded share-based payments of $350,547 (2022 - $392,491) of which $8,025 (2022 - $4,827) was capitalized as exploration cost and the reminder of $342,522 (2022 - $387,664) was expensed as general and administrative expenses.

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.

For the three months ended June 30, 2023

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
April 17, 2023	205,000	107%	3.15%	5.00	-	0.13	25,762
April 24, 2023	100,000	106%	2.97%	5.00	-	0.13	12,921
June 15, 2023	50,000	107%	3.48%	5.00	-	0.08	3,876
	355,000						**42,559**

(Expressed in Canadian Dollars)

7. Share Capital – *continued*

For the fifteen months ended March 31, 2023

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**

** 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.*

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. The fair values of the modified stock options immediately before and after the modification is determined based on the key assumptions as follows:

Before Modification

Grant Date	Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
March 4, 2022	3,810,000	$0.185	0.70	102%	3.30%	3.88	-	0.09	339,090
March 18, 2022	150,000	$0.185	0.74	102%	3.30%	3.92	-	0.09	13,050
	3,960,000								**352,140**

After Modification

Grant Date	Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
March 4, 2022	3,810,000	$0.185	0.20	102%	3.30%	3.88	-	0.13	487,680
March 18, 2022	150,000	$0.185	0.20	102%	3.30%	3.92	-	0.13	19,350
	3,960,000								**507,030**

The incremental value of $154,890 was immediately recognized in the statement of loss.

(Expressed in Canadian Dollars)

7. Share Capital – *continued*

(d) Warrants

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

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, January 1, 2022	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**
Issued – financing warrants	1,450,000	0.20
Balance, June 30, 2023	**12,915,781**	**0.23***

** 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 (see below).*

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

As of June 30, 2023, the following warrants were outstanding:

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price ($)
November 29, 2023	0.42	716,615	0.70
November 29, 2023	0.42	5,047,016	0.20*
February 15, 2026	2.63	5,702,150	0.20
April 17, 2026	2.80	1,250,000	0.20
May 12, 2026	2.87	200,000	0.20
	1.66	**12,915,781**	**0.23**

** 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 (see below).*

7. Share Capital – *continued*

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 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.

There is no impact to the fair value of the modified warrants since the Company applies the Residual Method to the fair value of these warrants.

(e) Diluted Loss per Share

As at June 30, 2023, there were 5,535,000 (June 30, 2022 – 5,310,000) share options and 12,915,781 (June 30, 2022 – 5,763,632) warrants that were potentially dilutive but not included in the diluted loss per share calculation as the effect would be anti-dilutive.

8. 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 entered into a Mutual Management and Technical Services Agreement (the "MMTSA") with Silver Elephant commencing December 1, 2021, pursuant to which the companies would provide each other with general, technical and administrative services, as reasonably requested on a cost reimbursement basis. This MMTSA was terminated effective March 31, 2023, and replaced with an updated fixed fee MMTSA effective April 1, 2023, and includes Silver Elephant, Nevada Vanadium and Oracle. The fixed fee is adjusted periodically to reflect the relative allocation of costs to each company.

The Company has entered into a consulting agreement with the Company's executive chairman effective 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 since December 1, 2021 as none of the milestones have been achieved yet.

(Expressed in Canadian Dollars)

8. Related Party Transactions and Balances - *continued*

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"), executive and non-executive directors.

	Three Months Ended	
	June 30, 2023 ($)	**June 30, 2022 ($)**
MMTSA fees charged by Silver Elephant, a company with certain directors and officers in common	32,485	57,380
MMTSA recoveries from Silver Elephant	(119,872)	(20,827)
MMTSA fees charged by Nevada Vanadium, a company under common control	27,059	34,453
MMTSA recoveries from Nevada Vanadium	(74,920)	-
MMTSA recoveries from Oracle, a company under common control	(29,968)	(38,295)
Management fees paid to John Lee, Chairman and Interim CEO of the Company	30,000	30,000
Salaries and benefits paid to key management of the Company	59,264	109,009
Directors' fees	13,645	23,800
Share-based payments to certain key management of the Company	278,172	170,269
	215,865	**365,789**

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

	June 30, 2023 ($)	**March 31, 2023 ($)**
Receivable from Silver Elephant	1,061,896	980,056
Receivable from Nevada Vanadium, a company under common control	274,924	239,689
Receivable from Oracle, a company with certain directors and officers in common	199,854	169,531
Management fees payable to John Lee	(10,000)	-
Director's fees payable	(15,445)	(1,800)
	1,511,229	**1,387,476**

9. Segmented Information

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

10. 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 three months ended June 30, 2023. The Company is not subject to externally imposed capital requirements.

11. 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 June 30, 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, 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 three months ended June 30, 2023 and three months ended June 30, 2022.

11. Financial Instruments - *continued*

(b) Categories of financial instruments

Financial Instrument	Measurement Method	Associated Risks	June 30, 2023 ($)	March 31, 2023 ($)
Cash	FVTPL[1] (Level 1)	Credit	131,405	343,730
Term deposit	FVTPL[1] (Level 1)	Credit	57,500	57,500
Due from related parties	Amortized cost	Credit	1,536,674	1,389,276
Receivables (excluding GST/HST receivables)	Amortized cost	Credit	2,132	1,067
Accounts payable and accrue liabilities	Amortized cost	-	(328,829)	(294,437)
			1,398,882	**1,497,136**

[1] Fair value through profit or loss

12. 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 June 30, 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 June 30, 2023 the Company had a cash balance including term deposit, of $188,905 (March 31, 2023 – 401,230) and had accounts payable and accrued liabilities of $328,829 (March 31, 2023- $294,437), 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 June 30, 2023 and March 31, 2023, 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 three months ended June 30, 2023 and three months ended June 30, 2022.

(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)

13. Restatement

The Company identified an accounting error in relation to its prior year financial statements due to $313,977 being reclassified from Advertising and Promotion to Intangible Assets, which resulted in an incorrect recovery for the three months ending June 30, 2022. The Company restated its June 30, 2022 statement of comprehensive loss by increasing advertising and promotion expense by $313,977.

	Original June 30, 2022 ($)	Restatement ($)	Restated June 30, 2022 ($)
Advertising and promotion	(293,688)	313,977	20,289

14. Subsequent Events

On August 14, 2023, the Company closed a non-brokered private placement offering of 6,800,000 common shares of the Company raising gross proceeds of $680,000. The offering was priced at $0.10 per share. Norway House Cree Nation ("NHCN") was the sole investor.

On August 28, 2023, the Company announced a proposed non-brokered private placement offering of 7,603,862 common shares of the Company for gross proceeds of $600,705. It is intended that NHCN will be the sole subscriber. As at the date of these financial statements, this private placement has not yet closed and remains subject to various conditions and approvals, including approval of the TSX Venture Exchange.