

FLYING NICKEL

Mining Corp.



**Condensed Interim Financial Statements
(Unaudited)**

**For the Three and Six Months Ended
September 30, 2023**

(Expressed in Canadian Dollars)

Flying Nickel Mining Corp.

Condensed Interim Statements of Financial Position (Unaudited)

(Expressed in Canadian Dollars)



	September 30, 2023 (\$)	March 31, 2023 (\$)
Assets		
Current assets		
Cash	776,249	343,730
Term deposit	57,500	57,500
Receivables	26,768	169,619
Prepaid expenses	146,006	136,086
Due from related parties (note 8)	1,650,490	1,389,276
Total current assets	2,657,013	2,096,211
Non-current assets		
Exploration and evaluation asset (note 6)	20,444,915	20,126,319
Total assets	23,101,928	22,222,530
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	155,749	294,437
Total liabilities	155,749	294,437
Shareholders' Equity		
Share capital (note 7)	25,200,676	24,288,676
Subscription received	720,706	-
Reserves (note 7)	2,486,340	2,092,775
Deficit	(5,461,543)	(4,453,358)
Total equity	22,946,179	21,928,093
Total liabilities and equity	23,101,928	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 unaudited condensed interim financial statements.

Flying Nickel Mining Corp.

Condensed Interim Statements of Operations and Comprehensive Loss (Unaudited)

(Expressed in Canadian Dollars)



	Three Months Ended		Six Months Ended	
	September 30, 2023 (\$)	September 30, 2022 (\$) (Restated – Note 13)	September 30, 2023 (\$)	September 30, 2022 (\$)
General and Administrative Expenses				
Advertising and promotion	4,015	54,371	15,364	74,661
Consulting (note 8)	34,435	153,510	84,402	177,040
Directors' fee (note 8)	23,155	23,000	36,800	46,800
Insurance	10,675	10,625	21,351	21,250
Office and administration	14,397	8,869	33,009	28,373
Professional fees	16,250	139,049	132,596	282,128
Salaries and benefits (note 8)	83,359	94,478	176,191	112,538
Share based payments (notes 7, 8)	41,765	233,916	384,287	621,579
Stock exchange and shareholder services	48,163	45,060	74,453	65,327
Travel and accommodation	16,586	9,541	48,222	3,468
	(292,800)	(772,419)	(1,006,675)	(1,433,164)
Other Items				
Government grant	-	12,188	-	12,188
Foreign exchange loss	(904)	-	(1,510)	(576)
Recovery of flow through liability	-	42,099	-	74,190
Net loss and comprehensive loss for the period	(293,704)	(718,132)	(1,008,185)	(1,347,362)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.02)
Basic and diluted weighted average number of shares outstanding (note 7(e))	72,786,446	62,086,470	70,868,128	62,086,470

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

Flying Nickel Mining Corp.

Condensed Interim Statements of Changes in Equity (Unaudited)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital (\$)	Subscription Received (\$)	Reserves ¹ (\$)	Warrants to be Issued (\$)	Deficit (\$)	Total (\$)
Balance, December 31, 2021	1,992,438	1,247,240	-	37,586	189,040	(360,642)	1,113,224
Share cancelled on completion of the Arrangement	(1)	(1)	-	-	-	-	(1)
Shares issued under the Arrangement (notes 4, 7(b))	50,000,000	16,423,987	-	-	-	-	16,423,987
Conversion of subscription receipts (notes 4, 7(b))	10,094,033	5,808,073	-	403,761	-	-	6,211,834
Broker warrants	-	-	-	189,040	(189,040)	-	-
Share-based payments	-	-	-	120,943	-	-	120,943
Net loss and comprehensive loss	-	-	-	-	-	(1,183,252)	(1,183,252)
Balance, March 31, 2022 (restated – Note 13)	62,086,470	23,479,299	-	751,330	-	(1,543,894)	22,686,735
Share-based payments	-	-	-	632,118	-	-	632,118
Net loss and comprehensive loss (restated – note 13)	-	-	-	-	-	(1,347,362)	(1,347,362)
Balance, September 30, 2022 (restated – Note 13)	62,086,470	23,479,299	-	1,383,448	-	(2,891,256)	21,971,491
Private placement (note 7(b))	5,370,000	859,200	-	-	-	-	859,200
Finder's fees	332,150	(49,823)	-	49,823	-	-	-
Share-based payments	-	-	-	659,504	-	-	659,504
Net loss and comprehensive loss	-	-	-	-	-	(1,562,102)	(1,562,102)
Balance, March 31, 2023	67,788,620	24,288,676	-	2,092,775	-	(4,453,358)	21,928,093
Private placement (note 7(b))	8,250,000	912,000	-	-	-	-	912,000
Shares to be issued (note 14)	-	-	720,706	-	-	-	720,706
Share-based payments (note 7(c))	-	-	-	393,565	-	-	393,565
Net loss and comprehensive loss	-	-	-	-	-	(1,008,185)	(1,008,185)
Balance, September 30, 2023	76,038,620	25,200,676	720,706	2,486,340	-	(5,461,543)	22,946,179

¹Stock options and warrants

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

Flying Nickel Mining Corp.
Condensed Interim Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)



	Six Months Ended	
	September 30, 2023 (\$)	September 30, 2022 (\$)
Operating Activities		
Net loss for the period	(1,008,185)	(1,347,362)
Items not involving cash		
Share-based payments	384,287	621,579
Changes in non-cash working capital		
Receivables	142,851	(104,666)
Prepaid expenses	(9,920)	193,523
Due from related parties	(261,214)	(553,659)
Accounts payable and accrued liabilities	(173,188)	(398,921)
Cash used in operating activities	(925,369)	(1,589,506)
Investing Activities		
Exploration and evaluation asset	(274,818)	(1,302,016)
Transfer to term deposit	-	(57,500)
Cash used in investing activities	(274,818)	(1,359,516)
Financing Activities		
Proceeds from share issuance	912,000	-
Shares to be issued	720,706	-
Cash from financing activities	1,632,706	-
Increase (Decrease) in cash	432,519	(2,949,022)
Cash, beginning of period	343,730	5,037,707
Cash, end of period	776,249	2,088,685
Non-cash transactions		
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	34,500	399,880
Share-based compensation capitalized to exploration and evaluation asset	9,278	10,538

The accompanying notes form an integral part of these unaudited condensed interim 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 have been prepared under the assumption that the Company is a going concern, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As at September 30, 2023 (the “Financial Position Date”), the Company had a deficit of \$5,461,543 (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 unaudited 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 unaudited 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 unaudited condensed interim financial statements were approved by the Board of Directors and authorized for issue on November 17, 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. Areas of significant judgment and estimates made by management for the three and six months ended September 30, 2023, in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in note 3(a) of the Company's audited financial statements for the fifteen months ended March 31, 2023.

3. Material Accounting Policy Information

(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.

3. Material Accounting Policy Information - 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, and as amended, pursuant to which Flying Nickel proposes to acquire all of the issued and outstanding common shares of Nevada Vanadium (the "Nevada Vanadium Shares") by way of a court-approved plan of arrangement (the "Transaction").

Under the terms of the agreement, Nevada Vanadium shareholders will receive one (1) (the "Exchange Ratio") Flying Nickel common share (a "Flying Nickel Share") for each Nevada Vanadium Share held immediately prior to the effective time of the Transaction. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Transaction will be exchanged for securities of Flying Nickel bearing substantially the same terms as the securities replaced based on the Exchange Ratio. As at the date of these financial statements, the Transaction is still in progress.

6. Exploration and Evaluation Asset

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	132,917
Feasibility	47,297
Exploration	114,409
Personnel, camp and general	23,973
Balance, September 30, 2023	20,444,915

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

On January 14, 2022, pursuant to the Silver Elephant Arrangement (note 4), the Company issued 50,000,000 common shares in consideration for Minago nickel project mineral property assets and the assumption of certain liabilities related to the underlying assets.

Minago Net Smelter Royalty

On January 14, 2022, under the terms of the Silver Elephant Arrangement and pursuant to the royalty agreement between the Company and Silver Elephant dated August 25, 2021 (“Minago Royalty Agreement”), the Company has granted and agreed to pay, among other things, in each fiscal quarter where the average price per pound of nickel as reported on the Nominated Metals Exchange or Substitute Metals Exchange (in each case as defined in the Minago Royalty Agreement) in the event such pricing is not reported on the Nominated Metals Exchange, exceeds US\$15 per pound, a royalty equal to two per cent (2%) of returns in respect of all mineral products produced from certain mineral claims and leases in the Minago Project after the commencement of commercial production. Each royalty payment will be provisional and subject to adjustment in accordance with the Minago Royalty Agreement. Oracle is the current holder of this royalty.

Glencore Net Smelter Royalty

The Minago property claims are subject to a net smelter return (“NSR”) royalty interest (the “Glencore Royalty”) retained by Glencore Canada Corporation (“Glencore”). The Glencore Royalty in respect of nickel, shall for any calendar quarter be: (i) 2% NSR royalty when the London Metals Exchange 3-month nickel price is equal to or greater than US\$13,227.74 per tonne in that quarter; and (ii) a 1% NSR when the London Metals Exchange 3-month nickel price is less than US\$13,227.74 per tonne in that quarter. The Glencore Royalty in respect of other minerals, metals and concentrates, shall be a 2% NSR. In the event that the Glencore Royalty consists of a 2% NSR royalty, Flying Nickel may purchase a portion of the royalty interest which represents in the aggregate no more than 1% of the royalty interest for \$1,000,000. The Glencore Royalty interest shall never be less than a 1% NSR.

For the three and six months ended September 30, 2023, the Company has assessed that there are no impairment indicators with respect to its exploration and evaluation asset.

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 the Financial Position Date, the Company had 76,038,620 (March 31, 2023 – 67,788,620) common shares issued and outstanding.

(b) Issued Share Capital

During the six months ended September 30, 2023

On April 17, 2023, the Company closed a non-brokered private placement by issuing 1,250,000 units at a price of \$0.16 per unit for 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. The gross proceeds of the private placement was allocated to common share and \$nil to warrants by applying the residual approach.

On May 12, 2023 the Company closed a non-brokered private placement by issuing 200,000 units at a price of \$0.16 per unit for gross proceeds of \$32,000. 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. The gross proceeds of the private placement was allocated to common share and \$nil to warrants by applying the residual approach.

On August 14, 2023 the Company closed a non-brokered private placement by issuing 6,800,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$680,000.

During the fifteen months ended March 31, 2023

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

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 by applying the residual approach.

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

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

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 six months ended September 30, 2023, the Company granted stock options to certain directors, officers and employees of the Company to acquire a total of 1,745,000 common shares in the capital of the Company at an exercise price ranging from \$0.10 to \$0.17 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.

In March 2022, the Company granted stock options to acquire up to 5,310,000 common shares to certain directors, officers and consultants of the Company. These stock options are exercisable for a five-year term with 5,160,000 of the options expiring on March 4, 2027 having an exercise price of \$0.70 per common share and 150,000 options expiring on March 17, 2027 having an exercise price of \$0.74 per common share. These options vest at 12.5% per quarter for the first two years following the grant date.

In May 2022, the Company granted stock options to acquire up to 300,000 common shares to an officer of the Company. These stock options are exercisable for a five-year term and vest at 12.5% per quarter for the first two years following the grant date.

In January 2023, the Company granted stock options to acquire up to 1,400,000 common shares to certain directors, officers and consultants of the Company. These stock options are exercisable for a five-year term and vest at 12.5% per quarter for the first two years following the grant date.

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	1,745,000	0.11
Forfeited	(310,000)	0.14
Balance, September 30, 2023	6,795,000	0.17*

* On April 18, 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.

7. Share Capital – continued

The following table summarizes the stock options outstanding as at September 30, 2023.

Exercise Price (\$)	Options Outstanding		Options Exercisable	
	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)
0.10	1,390,000	4.97	-	4.97
0.11	50,000	4.71	6,250	4.71
0.16	175,000	4.55	21,875	4.55
0.14	1,220,000	4.26	457,500	4.26
0.20*	3,810,000	3.43	2,857,500	3.43
0.20*	150,000	3.46	11,2500	3.46
	6,795,000	3.93	3,455,625	3.55

* On April 18, 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. The Company recorded share-based payments as follows:

	Three Months Ended		Six Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(\$)	(\$)	(\$)	(\$)
Share-based payments:				
Capitalized as exploration and evaluation	1,253	5,710	9,278	10,538
Expensed as general and administrative expenses	41,765	233,916	384,287	621,579
	43,018	239,626	393,565	632,117

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.

7. Share Capital – continued

For the six months ended September 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
September 18, 2023	1,390,000	105%	3.92%	5.00	-	0.08	108,876
	1,745,000						151,435

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 April 18, 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 April 18, 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 at the Re-pricing Date (\$)	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

7. Share Capital – continued

After Modification

Grant Date	Number of Share Options	Share Price at the Re-pricing Date (\$)	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

(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, September 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).

There are no broker warrants issued during the three and six months ended September 30, 2023. The Company has issued certain broker warrants in connection with its financing completed in fifteen months ended March 31, 2023. The fair value of these broker warrants was 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

7. Share Capital – continued

As the Financial Position Date, the following warrants were outstanding:

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price (\$)
November 29, 2023	0.16	716,615	0.70
November 29, 2023	0.16	5,047,016	0.20*
February 15, 2026	2.38	5,702,150	0.20
April 17, 2026	2.55	1,250,000	0.20
May 12, 2026	2.62	200,000	0.20
	1.41	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).

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

For the three and six months ended September 30, 2023 and 2022, the Company’s common share equivalents including stock options and warrants were 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.

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		Six Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(\$)	(\$)	(\$)	(\$)
MMTSA fees charged by Silver Elephant, a company with certain directors and officers in common	35,132	33,284	67,617	54,110
MMTSA recoveries from Silver Elephant	(103,912)	(48,320)	(223,784)	(105,699)
MMTSA fees charged by Nevada Vanadium, a company under common control	27,059	-	54,117	-
MMTSA recoveries from Nevada Vanadium	(64,945)	(27,222)	(139,865)	(61,675)
MMTSA recoveries from Oracle, a company under common control	(25,978)	(31,284)	(55,946)	(69,579)
Management fees paid to John Lee, Chairman and Interim CEO of the Company	30,000	30,000	60,000	60,000
Salaries and benefits paid to key management of the Company	14,816	81,810	29,039	175,980
Directors’ fees	23,155	23,000	36,800	46,800
Share-based payments to certain key management of the Company	28,247	184,147	324,252	354,416
	(36,426)	245,415	152,230	454,353

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

	September 30, 2023	March 31, 2023
	(\$)	(\$)
Receivable from Silver Elephant	1,111,847	980,056
Receivable from Nevada Vanadium Mining Corp., a company under common control	346,357	273,235
Receivable from Oracle, a company with certain directors and officers in common	225,832	169,531
Payable to Nevada Vanadium LLC, a company under common control	(33,546)	(33,546)
Director’s fees payable	(38,600)	(1,800)
	1,611,890	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 interim period ended September 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. As at the Financial Position Date, 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, 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 and six months ended September 30, 2023 and 2022.

11. Financial Instruments - continued

(b) Categories of financial instruments

Financial Instrument	Measurement Method	September 30, 2023 (\$)	March 31, 2023 (\$)
Cash	FVTPL ¹ (Level 1)	776,249	343,730
Term deposit	FVTPL ¹ (Level 1)	57,500	57,500
Due from related parties	Amortized cost	1,650,490	1,389,276
Receivables (excluding GST/HST receivables)	Amortized cost	1,775	1,067
Accounts payable and accrue liabilities	Amortized cost	(155,749)	(294,437)
		2,330,265	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 the Financial Position Date 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 September 30, 2023, the Company had a cash balance including term deposit, of \$833,749 (March 31, 2023 – 401,230) and had accounts payable and accrued liabilities of \$155,749 (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 September 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 six months ended September 30, 2023 and 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.

13. Restatement

During the three months ended March 31, 2023 (“Q5 2023”), the Company identified an accounting error in relation to the accounting of the Silver Elephant Arrangement and related carrying value of Exploration and Evaluation Assets. Correction of this accounting error impacts the Company’s non-current assets and shareholders’ equity as follows:

	Original March 31, 2022 (\$)	Restatement (\$)	Restated March 31, 2022 (\$)
Non-current assets			
Exploration and evaluation assets	35,908,122	(18,576,013)	17,332,109
Total non-current assets	35,908,122	(18,576,013)	17,332,109
Shareholders’ Equity			
Share capital	42,459,073	(18,979,774)	23,479,299
Reserves	347,569	403,761	751,330
Deficit	(1,543,894)	-	(1,543,894)
Total equity	41,262,748	(18,576,013)	22,686,735

	Original September 30, 2022 (\$)	Restatement (\$)	Restated September 30, 2022 (\$)
Shareholders’ Equity			
Share capital	42,459,073	(18,979,774)	23,479,299
Reserves	979,687	403,761	1,383,448
Deficit	(2,891,256)	-	(2,891,256)
Total equity	40,547,504	(18,576,013)	21,971,491

13. Restatement - continued

In Q5 2023, the Company identified an accounting error in relation to the accounting of the impairment of intangible asset of \$313,977 being incorrectly recognized in advertising and promotion in the three months ended September 30, 2022. This impairment charge should have been recognized in the three months ended March 31, 2023. The Company also reclassified \$90,000 from advertising and promotion to consulting and management fees. The correction of these errors decreases the net loss for the three months ended September 30, 2023 by \$313,977 as follows:

	Original Three Months Ended, September 30, 2022 (\$)	Restatement (\$)	Restated Three Months Ended, September 30, 2022 (\$)
General and Administrative Expenses			
Advertising and promotion	458,348	(403,977)	54,371
Consulting and management fees	63,510	90,000	153,510
Directors' fees	23,000	-	23,000
Insurance	10,625	-	10,625
Office and administration	8,869	-	8,869
Professional fees	139,049	-	139,049
Salaries and benefits	94,478	-	94,478
Share-based payments	233,916	-	233,916
Stock exchange and shareholder services	45,060	-	45,060
Travel and accommodation	9,541	-	9,541
	(1,086,396)	313,977	(772,419)
Other items			
Recovery of flow through liability	42,099	-	42,099
Government grant	12,188	-	12,188
Net loss and comprehensive loss for the period	(1,032,109)	313,977	(718,132)
Basic and diluted loss per share	(0.02)	0.01	(0.01)
Basic and diluted weighted average number of shares outstanding	62,086,470	-	62,086,470

The Statements of Cash Flows for the six months ended September 30, 2022 was not previously presented; only the Statements of Cash flows for the nine months ended September 30, 2022 was presented but not applicable for the purposes of these financial statements as result of the change in year end from December 31 to March 31.

14. Subsequent Event

October 12, 2023, the Company closed a non-brokered private placement by issuing 7,603,862 common shares of the Company, at \$0.079 per share for gross proceeds of \$600,705 which have been received prior to the six months ended September 30, 2023 and is presented as the subscription received as at September 30, 2023.

On October 31, 2023, the Company closed the first tranche of a non-brokered private placement of 2,301,844 common shares, raising gross proceeds of \$207,166. The private placement was priced at \$0.09 per share.